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INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

HEARINGS

BEFORE THE

SELECT COMMITTEE

ON IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

EIGHTY-FIFTH CONGRESS

SECOND SESSION

PURSUANT TO SENATE RESOLUTIONS 74 AND 221, 85TH CONGRESS

SEPTEMBER 11, 15, 16, 17, 18, AND NOVEMBER 17, 1958

PART 40

Printed for the use of the Select Committee on Improper Activities in the
Labor or Management Field



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INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

THURSDAY, SEPTEMBER 11, 1958

U.S. SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D. C.

The select committee met at 11 a. m., pursuant to Senate Resolution 221, agreed to January 29, 1958, in the caucus room, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator Karl E. Mundt, Republican, South Dakota.

Also present: Robert F. Kennedy, chief counsel; Jerome S. Adlerman, assistant chief counsel; Paul Tierney, assistant counsel; John J. McGovern, assistant counsel; Carmine S. Bellino, accountant; Pierre E. Salinger, investigator; Leo C. Nulty, investigator; James P. Kelly, investigator; Walter J. Sheridan, investigator; James Mundie, investigator; John Flanagan, investigator, GAO; Alfred Vitarelli, investigator, GAO; and Ruth Young Watt, chief clerk.

The CHAIRMAN. The committee will come to order.

(Members of the select committee present: Senators McClellan and Mundt.)

The CHAIRMAN. Call the next witness, Mr. Kennedy.

Mr. KENNEDY. Mr. Harold Gibbons, please.

TESTIMONY OF HAROLD J. GIBBONS; ACCOMPANIED BY COUNSEL, DAVID PREVIAANT AND STANLEY ROSENBLUM

The CHAIRMAN. Let the record show the same counsel appears for Mr. Gibbons as appeared previously.

Proceed, Mr. Kennedy.

Mr. KENNEDY. Mr. Gibbons, when you were here last, we asked you about some checks from the Central Conference of Teamsters. Included in that was this \$1,000 check.

The CHAIRMAN. This check has already been made on exhibit, No. 115. The witness may refresh his memory about it.

(A document was handed to the witness.)

Mr. GIBBONS. What are the questions in connection with it?

Mr. KENNEDY. I want to know what the check was for.

Mr. GIBBONS. The check was sent or was used out of Detroit, given as an advance by this local union to a party to pay the expenses of a trip to California.

Mr. KENNEDY. Who was the party?

MR. GIBBONS. Well, I would just as soon write it down if you have no objection, because it happens to be a professional person not connected with the Teamsters, and I think we might just harm him unnecessarily.

THE CHAIRMAN. You may write it down, but you will be interrogated about it, and the name of this professional will be made known. (The witness wrote the name.)

MR. GIBBONS. I think that is the correct spelling of the name, if I am not mistaken.

THE CHAIRMAN. This name will be sealed and kept in a sealed envelope subject to being disclosed at any time the committee might determine it necessary to do so.

MR. KENNEDY. I notice that he is a doctor; is that correct?

MR. GIBBONS. Yes.

MR. KENNEDY. What kind of a doctor?

MR. GIBBONS. I imagine he is a general practitioner, and I am not certain of any specialty.

MR. KENNEDY. What was the purpose of the trip?

MR. GIBBONS. Well, at that particular time, to the best of my knowledge, we had some heavy organizing activity going down there.

MR. KENNEDY. Going down where?

MR. GIBBONS. In Florida, going on in Florida.

MR. KENNEDY. This doctor is from Florida?

MR. GIBBONS. Yes; and it was a matter of seeking recognition, it was a matter of intense opposition on the part of the employers, even to a point where armed guards were riding trucks.

In a discussion at that time, we were trying to establish or we felt it would be important, and it would be conducive to better labor relations and avoidance of strife if we could get located in Miami proper a branch or office of the NLRB. This person was active in the affairs of the Republican Party, and we merely asked him to go and consult with some officials to achieve this. He went to San Francisco, and I believe at that time the Republican convention was on, and he consulted with certain officials there.

THE CHAIRMAN. What kind of officials?

MR. GIBBONS. Again I would prefer to write it down, because it involves some high people.

THE CHAIRMAN. Now, if they are public officials, if contacts were made with public officials on public business, that is public information.

MR. GIBBONS. All right. I believe he met with a member of the Cabinet, Secretary Mitchell, that is the report I have in an effort to convince them. His interest in it was as a citizen down there, a concern on his part for the community, and the avoidance of unnecessary industrial strife, and he agreed with us that if this were done there would be a good possibility that the strike situation especially in the case of recognition could be avoided, and recognition facilitated.

THE CHAIRMAN. Well now let us see. As I understand you, you got a doctor from Florida to go and confer with Secretary Mitchell; is that correct?

MR. GIBBONS. That is correct.

THE CHAIRMAN. That is what the \$1,000 was for?

MR. GIBBONS. For expenses for this doctor's trip down there.

Mr. KENNEDY. We have checked into the doctor and we find he is an osteopath.

Mr. GIBBONS. This is absolutely new to my knowledge and I understood he was a regular physician with staff appointments and everything else on hospitals down there.

Mr. KENNEDY. He might have staff appointments, but he is an osteopath.

Mr. GIBBONS. I don't believe if he is an osteopath he would have hospital appointments.

Mr. KENNEDY. That is his profession.

Mr. GIBBONS. Unless it was an osteopath hospital, but not a regular general hospital.

Mr. KENNEDY. He is an osteopath, and could you tell the committee why you would select or choose an osteopath and pay him \$1,000 to go from Miami, Fla., to San Francisco, to confer with Secretary of Labor Mitchell?

Mr. GIBBONS. Mr. Kennedy, we did not choose an osteopath to go to San Francisco to confer with Secretary Mitchell. We chose a very active Republican personality in the city of Miami, quite different than an osteopath, and quite an honored man in his community, and he has a very fine standing down there.

Mr. KENNEDY. Was this about the National Labor Relations Board?

Mr. GIBBONS. Yes.

Mr. KENNEDY. Why wouldn't you consult with the National Labor Relations Board rather than the Secretary of Labor about that matter?

Mr. GIBBONS. I did consult with the NLRB about it. I sent a person, or I was instrumental in sending a person to talk with the Secretary of Labor on the assumption, this person's assumption at least, that the Secretary would have the kind of influence who could get the story at least, the story of the need for such an office told to the NLRB personnel, whoever was responsible for opening these offices.

Mr. KENNEDY. Did you send an attorney here to confer with the National Labor Relations Board?

Mr. GIBBONS. No; because we have already had our experience with the NLRB.

Mr. KENNEDY. Here in Washington?

Mr. GIBBONS. Yes; for 6 months I fought with them and conferred with them not on this issue, but on other issues, and I know their general attitude toward the Teamsters Union.

Mr. KENNEDY. I am trying to find out whether you had any attorney, or regular representative from the Teamsters Union consult with the National Labor Relations Board here in Washington, about this matter?

Mr. GIBBONS. The reason we did not, and reason for it is we felt it would be an utterly hopeless task, and we weren't going to waste any money in that respect, to my knowledge. I don't believe we had anybody come in there.

The CHAIRMAN. Who had jurisdiction of the subject matter?

Mr. GIBBONS. I wouldn't even know, Senator, for sure, but I imagine it would be the Board.

The CHAIRMAN. The National Labor Relations Board?

Mr. GIBBONS. Yes, and I am not certain in my own mind.

Mr. KENNEDY. Did you select this man to go?

Mr. GIBBONS. I don't believe I selected him, but I was one of the people consulted on it.

Mr. KENNEDY. Who consulted with you?

Mr. GIBBONS. I believe the person who recommended him to me and gave me his background and everything was Dick Kavner.

Mr. KENNEDY. Did you consult with this doctor before he left?

Mr. GIBBONS. I don't believe so, and I think that the fellow left right from Detroit, and I think we caught him in Detroit and reached him in Detroit, and I think he left directly from Detroit, if I am not mistaken.

Mr. KENNEDY. What was he doing in Detroit?

Mr. GIBBONS. Well, I don't know, and he may have been there visiting with President Hoffa, but I don't know.

The CHAIRMAN. Was it someone you knew personally?

Mr. GIBBONS. I had met the man, Senator, and I had discussed I believe politics with him only at that stage, a matter of candidates.

The CHAIRMAN. All right.

Mr. KENNEDY. Why was this listed on the records as an advance to local 247?

Mr. GIBBONS. Because we told him to get it from Detroit, and probably President Hoffa arranged for him to get it from this local. We forwarded the money to reimburse the local. So it is logically and properly and correctly listed as repayment of an advance by that local union, made out to that local, and deposited in the fund of that local.

Mr. KENNEDY. It is not an advance?

Mr. GIBBONS. It is a repayment, and it is marked "repayment." It is a reimbursement.

Mr. KENNEDY. It is reimbursement of advance?

Mr. GIBBONS. Given by 247.

Mr. KENNEDY. It is reimbursement of an advance by the Central Conference of Teamsters to local 247?

Mr. GIBBONS. No. Then somebody has made an error in connection with our records. It was to be listed as a repayment by central conference of an advancement made by 247. I believe that is the way you will find it, and otherwise it just doesn't add up or make sense.

Mr. Chairman, may I request again that we cease picturetaking while I am testifying, if you don't mind?

The CHAIRMAN. You gentlemen will desist from taking pictures, while the witness testifies.

TESTIMONY OF CARMINE S. BELLINO

Mr. KENNEDY. Have you made an examination or somebody under your direction made an examination of the \$1,000?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. What is it?

Mr. BELLINO. Could I have the check?

Mr. KENNEDY. Here it is.

(A document was handed to the witness.)

Mr. BELLINO. On the records of the Central Conference of Teamsters, in St. Louis, this check was recorded as a reimbursement of an advance.

Now, that means in simple language that local 247 had given the Central Conference of Teamsters \$1,000 and the Central Conference of Teamsters is returning that \$1,000 to local 247.

Those are the facts in this particular case.

(At this point, the following members were present: Senators McClellan and Mundt.)

The CHAIRMAN. Let me see. This check, the records show, is a return——

Mr. BELLINO. Of an advance.

The CHAIRMAN. Of an advance of \$1,000 that the central conference had received from local 247?

Mr. BELLINO. That is what it would mean, yes, sir.

The CHAIRMAN. What is your explanation of it, Mr. Gibbons?

Mr. GIBBONS. Mr. Chairman, either Bellino or I do not understand the English language.

The CHAIRMAN. Well, maybe both of you——

Mr. GIBBONS. This is a repayment by central conference for an advance made by this local on behalf of the central conference. We were the ones who sent him down there.

The CHAIRMAN. In other words, at the time the man went out to California, he got his \$1,000 from local 247.

Mr. GIBBONS. Correct, authorized by us.

The CHAIRMAN. But because he went out there for you, then you, with this check, reimbursed the local.

Mr. GIBBONS. You are correct.

The CHAIRMAN. Is that correct?

Mr. GIBBONS. Correct.

The CHAIRMAN. Now, do the records so reflect?

Mr. BELLINO. This is a concealment of the payment of \$1,000 to this doctor. There is no question about that because if it was not a concealment, Mr. Gibbons would have been able to testify to this check the other day, especially since he had——

The CHAIRMAN. Have you checked the records of local 247?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. Is there any record there of any advance?

Mr. BELLINO. No, sir, no advance, nor is there a record of the receipt of this check on the books of local 247.

The CHAIRMAN. You have checked the records both ways?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. And there is no record of an advance in the first place in 247?

Mr. BELLINO. That is correct, there is no record of any check from local 247.

The CHAIRMAN. Is there any record of the check to this doctor?

Mr. BELLINO. There is a record of their check to this doctor, but there is no record of the receipt of this check, even though it is endorsed "Deposit in the account of local 247."

The CHAIRMAN. There is a record in 247 of the advance to the doctor?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. All right. Local 247 did advance the doctor \$1,000?

Mr. BELLINO. Local 247 paid \$1,000 to the doctor.

The CHAIRMAN. Did they mark it in advance?

Mr. BELLINO. No, sir. They marked it exchange.

The CHAIRMAN. They marked it exchange?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. What did that indicate?

Mr. BELLINO. That means they had exchanged \$1,000 with the doctor, that the doctor or someone had given them \$1,000 and they exchanged it. They did not disclose from whom.

The CHAIRMAN. From the records of 247, though, was this check ever entered as being a reimbursement?

Mr. BELLINO. From the records of 247 there is no entry reflecting that this check was the one that was exchanged with the check from Dr. Carney.

The CHAIRMAN. Well, even if they marked it exchange at the time, what I am trying to clear up is whether there is any record that this money was ever paid back to that union.

Mr. BELLINO. No, sir, not on the books of local 247.

The CHAIRMAN. What was the date of the record of local 247 issuing the check for the \$1,000? Give us that.

Mr. BELLINO. That was on August 15, 1956, at which time the local issued their check to this doctor.

The CHAIRMAN. Is that the check they issued to the doctor?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. Does it bear the doctor's name?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. That check may be placed in the envelope with the doctor's name as the same exhibit. Now let me ask you: What is the date of this \$1,000 check from the Central Conference of Teamsters?

Mr. BELLINO. August 15, 1956.

The CHAIRMAN. Could it be that they simply took this check there and got the local to issue a check and that the records of 247 would be correct, that it was simply an exchange?

Mr. BELLINO. It would be correct if it were an exchange. However, the Central Conference of Teamsters reflect it as a return of an advance which local 247 never had advanced.

The CHAIRMAN. That would be kind of technical. But what actually happened was they simply took a check and gave it to 247 on the same date and got 247 to issue the check to the doctor. That is what it amounts to?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. In other words, it seems to me instead of the Central Conference just issuing a check to the doctor, local 247 issued a check to him, and they issued a check to local 247.

Mr. BELLINO. Yes, sir.

The CHAIRMAN. That is what it amounts to.

Senator MUNDT. Why did you do it that way, Senator?

Mr. GIBBONS. I believe, Senator, this gentleman was in Detroit and I was in St. Louis.

Senator MUNDT. Is 247 in Detroit?

Mr. GIBBONS. It is in Detroit, yes.

Senator MUNDT. I see.

Mr. GIBBONS. I believe what happened is probably he wanted to grab a plane right away. I understand he did not even pack a bag. He wanted to get the money and get going. There is probably a difference of a day or 2 days in between those checks. But so that the record is clear, Mr. Kennedy, there was no effort at concealment. It is very disturbing to find on the part of the staff these obvious attempts to distort perfectly legitimate transactions. It is terribly disturbing.

The CHAIRMAN. Wait a minute, now. We are trying to clear it up. We have run into all kinds of erroneous and false records in the course of our investigation. When we run into these things, we are going to clear them up, if we can. That is why you are here, to give explanation, if you can. If you want to put it on that basis, there has certainly been enough revealed already to cause anybody to be suspicious. Where was this check cashed?

Mr. BELLINO. This check was cashed—well, it was actually cashed—I can tell you who cashed it for him, Senator.

The CHAIRMAN. Do you know who cashed the check?

Mr. BELLINO. Yes.

The CHAIRMAN. Who?

Mr. BELLINO. Tom Burke of Detroit who cashed the check, at a fish store owned by Victor Ventimiglia in Detroit.

The CHAIRMAN. It indicates that the doctor was in Detroit at that time?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. All right.

Mr. KENNEDY. Did the doctor see the Secretary of Labor?

Mr. GIBBONS. I believe he did, if I am not mistaken.

Mr. KENNEDY. Was it straightened out for Miami?

Mr. GIBBONS. No, there is still no NLRB office in Miami, to my knowledge.

The CHAIRMAN. Whom did the doctor report to when he got back?

Mr. GIBBONS. I believe he reported to Dick Kavner, if I am not mistaken. It could have been Tom Burke.

The CHAIRMAN. Did this happen at the same time Tom Burke was down there in Florida on a big expense account and so forth?

Mr. GIBBONS. I believe it did.

The CHAIRMAN. All right.

Mr. KENNEDY. If you made an examination, Mr. Gibbons, of the records of the Central Conference of Teamsters and looked at their records, made an examination of the records, you would never know about this transaction with Dr. Carney, with the doctor.

Mr. GIBBONS. I did not say I reconstructed my story on the basis of an examination.

Mr. KENNEDY. No, I am saying that anybody looking at the records would not know about this transaction.

Mr. GIBBONS. Yes, I can appreciate that. It is possible.

Mr. KENNEDY. Then there is this other check of \$3,000.

The CHAIRMAN. I hand you another check which has been made exhibit 114 in the amount of \$3,000 and ask you to examine that and see if it refreshes your memory.

(The document was handed to the witness.)

(The witness conferred with his counsel.)

Mr. KENNEDY. Maybe you better look at both of these checks.

The CHAIRMAN. Also, I will hand you another check for \$3,000, which has been made exhibit 113. You might examine both of them together and refresh your memory.

(The document was handed to the witness.)

(The witness conferred with his counsel.)

Mr. GIBBONS. Mr. Kennedy, have you got some specific questions on those checks?

The CHAIRMAN. I just wanted you to see them so you would know what you are going to testify on. All right, Mr. Kennedy.

Mr. KENNEDY. The first check of August 12, 1955, in the sum of \$3,000, is made payable to the order of Ducker & Feldman. Could you tell us about that, what that was for?

Mr. GIBBONS. That was probably a check for \$3,000 for legal services, either performed or to be performed.

Mr. KENNEDY. What were the legal services to be performed?

Mr. GIBBONS. I have not been able to check as I would like to on that transaction. We are currently waiting for a copy of an affidavit which he has filed with your committee. My attorney contacted him to get the facts on this as he knows them, in an effort to refresh my memory. As of now, we have not been able to get that document, Mr. Kennedy. That may help.

Mr. KENNEDY. Then there is a second check. I understand this first \$3,000 was returned to the treasury.

Mr. GIBBONS. That is what I understand from previous discussions with this committee; that this is merely an exchange, again, of checks; that the check was initially made out wrong and returned.

Mr. KENNEDY. No.

I understand that the check was issued and then there was no law business forthcoming, and a request was made that the money be returned. Is that correct?

Mr. GIBBONS. No, not to my knowledge.

Mr. KENNEDY. What was the second check of August 15, 1955?

Mr. GIBBONS. Based on that exchange of checks, I would just assume that in making out the check we had made it out to a firm instead of to the individual member, and for that reason the guy wanted it changed.

The CHAIRMAN. You say you have not received a copy of the affidavit that the lawyer supplied the committee?

(The witness conferred with his counsel.)

Mr. GIBBONS. As of this morning when we checked our attorney's office, he was not in receipt of it, Senator.

The CHAIRMAN. I have here the affidavit.

It may be made exhibit No. 161.

(The document referred to was marked "Exhibit 161" for reference and may be found in the files of the select committee.)

The CHAIRMAN. I will read the pertinent part of it.

It may be printed in the record in full.

(The document referred to follows:)

U.S. COURTHOUSE,
Foley Square, New York, N. Y.

STATE OF NEW YORK,
County of New York, ss:

Samuel Feldman, being duly sworn, deposes and says:

I, Samuel Feldman, furnish the following statement to Walter R. May and John P. Constandy, who have identified themselves to me as staff members of the U.S. Senate Select Committee on Improper Activities in the Labor or Management Field.

I make this statement freely and voluntarily. No threats or promises have been made to me, and I realize that this statement may be used at public hearing before the committee.

I reside at Old Yorktown Road, Yorktown Heights, N.Y., and I am an attorney associated with a law firm located in New York City.

I have known Nate Stein, who resides in Beverly Hills, Calif., and who is self-employed in the public relations field, for over 35 years.

About early August 1955, at LaGuardia Airport in New York City, Nate Stein introduced me to Harold Gibbons, an official of the Teamsters' Union. At that time the possibility of my law firm receiving some business through the Teamsters' Union was discussed and, upon my request, Mr. Gibbons agreed to forward \$3,000 to the law firm as a retainer in advance of doing any work for the teamsters.

Thereafter, my law firm received a check made out to the firm dated August 12, 1955, in the amount of \$3,000 from the Central States Conference of Teamsters as a retainer, which check was deposited in the law firm's escrow account which is called special account No. 2, in the Manufacturers Trust Co., New York City. It was intended that the money remain in the escrow account until such time as the law firm actually performed some work for the Teamsters' Union.

Approximately 2 or 3 weeks thereafter, I received word from Mr. Gibbons telling me that the Teamsters' Union was not going to use our law firm and asking that the \$3,000 be returned. Pursuant to his request, the law firm returned the \$3,000 by check dated September 16, 1955, made payable to the Central States Conference of Teamsters.

With the exception of the situation I have just described, neither I nor the law firm with which I am associated have ever performed any work or services for any local union, joint council, conference, organization, or official affiliated with the International Brotherhood of Teamsters.

I have read this 2-page statement. It is true and correct.

/s/ SAMUEL FELDMAN.

Sworn to before me this 24th day of July 1958.

JOHN J. OLEAR, Jr.,

Notary Public for the State of New York, No. 41-2952400.

Qualified in Queens County. Certificate filed in New York County. Term expires March 30, 1959.

Witnesses:

/s/ WALTER R. MAY.

/s/ JOHN P. CONSTANDY.

The CHAIRMAN. You may refer to that affidavit, and you may examine that affidavit if you care to.

(The document was handed to the witness.)

(The witness conferred with his counsel.)

Mr. PREVIAINT. I wonder if we might look at the two checks again, the exhibits, please?

The CHAIRMAN. Yes, sir.

(The document was handed to the witness.)

Mr. GIBBONS. Does the staff have a record of when the \$3,000 was returned, or deposited by the Central Conference, or redeposited?

The CHAIRMAN. No, but he says in his affidavit that he did send you the check, and I don't know, I think the records show that the money was returned, that first \$3,000 check.

Mr. BELLINO. Yes, sir.

The CHAIRMAN. There is no question about the money being returned, or the proceeds of the check being returned?

Mr. GIBBONS. The only explanation I have at the present time, Senator, is that upon return of the initial check we immediately, 3 days later, issued a new check to the individual member of the firm.

The CHAIRMAN. Now, it couldn't be that way, because he says in his affidavit it was in September when they returned the first \$3,000. Isn't that what his affidavit says?

Mr. GIBBONS. Yes.

The CHAIRMAN. So two checks were out?

Mr. GIBBONS. He must have by telephone have called me and asked me to correct the check, the party I made it out to, because I immediately sent him a check for \$3,000 some 3 days after I made out the first one.

The CHAIRMAN. All right. Now then, you think that he said he didn't want it made out to the firm, although he said in his affidavit that he asked you to send it to the firm. You say he decided he didn't want it in the firm's name but as an individual check?

Mr. GIBBONS. That is the way I would reconstruct it at the moment.

The CHAIRMAN. Now let us go a little further. If he is correct in his affidavit, there are two significant things. The first is they never did any work for you.

Mr. GIBBONS. Yes, sir.

The CHAIRMAN. And the second is that you called him and told him that you weren't going to have him do any work and to return the check, or return the money, which he did. Now then in the meantime, if his statement is correct, there was another check outstanding, the second one there, for \$3,000.

What is your explanation of that?

Mr. GIBBONS. The only explanation I have on this total transaction, Senator, is the case of sending a firm a retainer evidently, and probably based on the dates a telephone call asked me to change the way the check is made out and send him a new check, and I can reconstruct the thing now as to exactly what happened.

I have no knowledge at the moment of ever having called him or told him he wasn't going to do any work for us, No. 1, and so this is where it has to sit until such time as I can check it further.

The CHAIRMAN. Were you not in New York at that time, with Nate Stein and staying together with him in the hotel there?

Mr. GIBBONS. I wouldn't be able to testify to that with certainty as to now.

The CHAIRMAN. You have been up there in New York and stayed at the same hotel?

Mr. GIBBONS. Yes, I have.

The CHAIRMAN. In the same suite with Mr. Stein, haven't you?

Mr. GIBBONS. That is right.

The CHAIRMAN. All right now, do you know what became of the proceeds of that second check?

Mr. GIBBONS. I only know what he has already informed my attorney.

The CHAIRMAN. What did he inform your attorney?

Mr. GIBBONS. That he broke that check up in a series of fashions and turned the thing over to Mr. Stein, I believe.

The CHAIRMAN. Yes, sir. What reason was there for giving this money to Mr. Stein?

Mr. GIBBONS. I understand that he claims that it was to be returned to us.

The CHAIRMAN. Did you ever get it back?

Mr. GIBBONS. No, I don't believe we did, Senator.

The CHAIRMAN. Did you try to get it back?

Mr. GIBBONS. I have to confess I wasn't aware of the fact we sent \$3,000 without any work having been performed, Senator.

The CHAIRMAN. I think the hotel records reflect this, and we can put that in evidence, that you were in New York staying with Mr. Stein at the time this transaction was made on this second check, and maybe during the time of the first also, but on the second at least. Here are his checks; I will let you see them.

I am presenting you three checks of this same lawyer dated the same day of the second \$3,000 check, August 15, 1955, one made to the L. L. Israel Airlines for \$884.90, and another made to Nate Stein in the amount of \$1,615.10, and another one made to cash in the amount of \$500 2 days later, and cashed by him.

Now, I don't know who got that money. But here are the two that I have referred to, made out one to the airlines and one to Nate Stein. These three checks total the \$3,000 covering the check of \$3,000 that you had given him.

(Documents were handed to the witness.)

The CHAIRMAN. Now, have you any explanation of why this second check was given, the \$3,000?

Mr. GIBBONS. No, sir, excepting that as I reconstruct it or can judge it from the basis of the checks which I have examined, there was a case of sending in a check, being asked to change the person to whom the check was made out, and this is what I did, as far as I can reconstruct as of now.

The CHAIRMAN. Let me give you another suggestion, and let me have the first check, the first \$3,000 check. The two checks I have presented to the witness from Mr. Feldman, the one for \$884.90 to the airline, and the one for \$1,650.10 to Mr. Stein, together with this check, which I now present to you, made out to cash, endorsed by Mr. Feldman, the three checks making a total of \$3,000, together with the check stub of the last check for \$500 of August 17, which check stub says, "Cash for Nate Stein," all of those four documents, the three checks and the check stub, may be made exhibit 162, A, B, C, and D.

(Documents referred to were marked "Exhibit No. 162, A, B, C, and D," for reference and will be found in the appendix on pp. 15313-15316.)

The CHAIRMAN. You may examine them before I interrogate you further if you care to.

Mr. GIBBONS. Thank you.

(The documents were handed to the witness.)

Mr. GIBBONS. I have examined them, Senator.

The CHAIRMAN. Now, I will ask you if it is not true that the reason the first check of \$3,000 was returned is that the other member of the law firm, Mr. Ducker, refused to be a party to this transaction.

Therefore the first \$3,000 check was returned, and since Mr. Feldman would accommodate you, you made out a second check for \$3,000 just to him alone?

Mr. GIBBONS. I don't know what motivated them, Senator, but to my knowledge this is not true.

The CHAIRMAN. Isn't it a fact that Mr. Stein was staying with you there at that time, and that the whole purpose of this transaction was to channel out \$3,000 to Nate Stein so he could go overseas and didn't he immediately buy a ticket and go overseas with this very check here that was made payable for that purpose?

Mr. GIBBONS. I don't know what the purposes of this total transaction were, Senator. But it was not done with my knowledge, consent or agreement.

The CHAIRMAN. Well now he testifies there that the arrangements were made with you to get \$3,000.

Mr. GIBBONS. No, I didn't read it in his testimony, but even if he testified to that effect 10 times——

The CHAIRMAN. Here is what the lawyer says:

About early 1955, at LaGuardia Airport in New York City, Nate Stein introduced me to Harold Gibbons an official of the Teamsters' Union. At that time the possibility of my law firm receiving some business through the Teamsters' Union was discussed and upon my request Mr. Gibbons agreed to forward \$3,000 to the law firm as a retainer in advance of my doing any work for the Teamsters.

Mr. GIBBONS. I believe that was done.

The CHAIRMAN. All right, the agreement was made with you?

Mr. GIBBONS. That is right, for work.

The CHAIRMAN. In other words, you were authorizing the transaction, whatever it was?

Mr. GIBBONS. Oh, no. I did not authorize any transaction.

The CHAIRMAN. You authorized the checks?

Mr. GIBBONS. I authorized, and let us separate transactions, Senator, and we are not talking about one. We are talking about several.

The CHAIRMAN. We are not talking about several. I am talking about the transaction you had with this lawyer in which you first gave him a check made out to the law firm for \$3,000. That money was returned, and then you got another check to him individually for \$3,000, and on the same date the money went to Nate Stein. It is all one transaction.

Mr. GIBBONS. Oh, no. Somewhere along the line you lose me, Senator. Somewhere along the line you lose me.

The CHAIRMAN. Somewhere along the line the union lost \$3,000.

Mr. GIBBONS. And I can assure you if this be the case, the union will get back the \$3,000, or somebody is going to be sued for it. Now let me say——

The CHAIRMAN. Somebody certainly should.

Mr. GIBBONS. Now let me say one thing, Senator, in mitigation of the fact that I may have failed to process properly or follow-through properly on the payment of a \$3,000 lawyer's fee.

I authorize by my signature some \$6 million a year, No. 1, and No. 2, I hire dozens and dozens of lawyers and we spend hundreds and hundreds of thousands of dollars in lawyers' fees. Somewhere down the line in the course of my many activities a \$3,000 payment got lost,

that is possible, and I regret it and I will take all steps necessary to see to it that the union is reimbursed for it.

The CHAIRMAN. Didn't you know that Stein was to get this money?

Mr. GIBBONS. I certainly did not know that Mr. Stein was to get it, Senator.

The CHAIRMAN. He put over a fast one on you, didn't he?

Mr. GIBBONS. Well, I am not prepared to testify that he did, but I am saying to you that whatever happened beyond my engaging the service of a firm on a retainer basis for work done, I know nothing about it.

The CHAIRMAN. How did you happen to engage this lawyer in the first place?

Mr. GIBBONS. Well, I will tell you, we have one little note here, and I don't know exactly why we did it, but it would only be on the basis of Mr. Stein recommending him to us. And secondly we do have or we did have some work around that time, if I am not mistaken.

The CHAIRMAN. Is it true that you called the lawyer and told him that you did not have any work for him to do, as he says?

Mr. GIBBONS. I don't recall any such thing, because if I did I would have demanded my money back, and I certainly would not have sent out a \$3,000 check payable to a man who has just told me, whom I have supposed to have just told that I did not have any work for him to do.

The CHAIRMAN. Well, he says:

Approximately 2 or 3 weeks thereafter, I received word from Mr. Gibbons telling me that the Teamsters' Union was not going to use our law firm and asking that the \$3,000 be returned.

He says you are the one who called about it and said you weren't going to use him.

Mr. GIBBONS. Well, that automatically, I would suggest, Senator, precludes the possibility of him returning his check on the basis of this 3 weeks' period.

The CHAIRMAN. He returned the first check on that basis.

Mr. GIBBONS. And 3 days later I sent him the other, and not 2 weeks or 3 weeks.

The CHAIRMAN. Three days later you sent him the other one, yes?

Mr. GIBBONS. Evidently because I had made out the first check wrong, and now in 3 weeks later he tells me that I told him I didn't have any work for him to do, why didn't he send me back my \$3,000.

The CHAIRMAN. Why did you give him two checks, then?

Mr. GIBBONS. What is that?

The CHAIRMAN. For \$3,000 each. One was 3 days after the other.

Mr. GIBBONS. Because apparently he telephoned me and said the check is made out wrong, and, "This is made out to the firm, and I am the one that you retained and I am the one who wants to do the work," and I changed it.

There are all kinds of arrangements lawyers have, Senator, in relationship to acceptance of their fees.

The CHAIRMAN. There are some arrangements here that certainly need some explanation.

Senator MUNDT. I haven't seen the affidavit, but in the affidavit or subsequent testimony, has Mr. Feldman himself given any reason as to why he gave this money to Nate Stein?

The CHAIRMAN. Mr. Feldman has made a statement, but we do not have it under oath, as of yet.

We found out some of this since we had the original affidavit.

Senator MUNDT. Did you know that Mr. Stein went to Israel at Teamsters' expense?

Mr. GIBBONS. No.

Senator MUNDT. You know he went?

Mr. GIBBONS. Yes, sir.

Senator MUNDT. You don't know that you paid the freight?

Mr. GIBBONS. That is right. As a matter of fact, let me add this one thought which my attorney who contacted Mr. Feldman advises me now. In his telephone conversation with Mr. Feldman, Mr. Feldman told him on the telephone that Mr. Gibbons had no knowledge of Mr. Stein getting this money.

Now, this is as of a few days ago.

The CHAIRMAN. Now, let us see on that point. You had no knowledge, you say, of him getting the money. You knew you were out \$3,000?

Mr. GIBBONS. No; I was not aware of the fact I was out \$3,000, Senator.

The CHAIRMAN. You had signed two checks for \$3,000 each?

Mr. GIBBONS. One of them was returned, and the second was for exactly the same purpose as the first one, to retain him either for work done or for work to be done at this stage.

(At this point, the following members were present: Senators McClellan and Mundt.)

The CHAIRMAN. Well, then, you have this lawyer saying you called him and told him you were not going to have him do any work.

Mr. GIBBONS. Senator, this is his testimony. I can't remember any such conversations with him, because had I had that conversation I would have expected the return of the \$3,000 also, the second \$3,000, which is now 3 weeks later.

The CHAIRMAN. Have you ever seen this lawyer since?

Mr. GIBBONS. I don't believe I have.

The CHAIRMAN. Have you ever communicated with him since?

Mr. GIBBONS. I don't believe I have, but I can't recollect any occasion that I did.

The CHAIRMAN. Proceed.

Mr. KENNEDY. I might just say that the records show that you were in the Shamrock Hotel, at Houston, Tex., on the 12th, 13th, and 14th of August, 1955. Then you arrived in New York City and stayed at the Vanderbilt Hotel on August 15, the date of this check. You were there with Mr. Nate Stein. You stayed there on August 15 and August 16, with Mr. Nate Stein, at the hotel, and the union paid the bill.

Mr. GIBBONS. That is correct.

Mr. KENNEDY. It was Room 1826.

Mr. GIBBONS. That was authorized and that was in order.

The CHAIRMAN. What is this lawyer's real name? Is it Feldman or Seldman?

Mr. GIBBONS. Judging from the indorsement, Senator, it is Feldman.

The CHAIRMAN. Although the check was made in the name of Seldman.

Mr. GIBBONS. Apparently it is a clerical error on the part of one of our girls typing it.

Mr. KENNEDY. Mr. Gibbons, you were the trustee of local 245?

Mr. GIBBONS. That is correct.

Mr. KENNEDY. That was put in trusteeship at what time, 1954?

Mr. GIBBONS. I believe it was in trusteeship twice, if I am not mistaken, Mr. Kennedy.

Mr. KENNEDY. I believe it was placed in trusteeship in 1954.

Mr. GIBBONS. Probably you are right.

Mr. KENNEDY. You were made trustee at that time?

Mr. GIBBONS. To the best of my recollection I was.

Mr. KENNEDY. Was a Mr. E. J. Barrett designated, amongst others, to work for the local?

Mr. GIBBONS. I believe so.

Mr. KENNEDY. Was he designated by you?

Mr. GIBBONS. I believe so.

Mr. KENNEDY. This is local 245 in Springfield, Mo. Mr. Barrett, according to the Teamsters' records, had been removed for incompetency and mishandling of union funds, particularly the indebtedness of \$25,000 and the dissipation of moneys collected for death assessments and contributions to the Boys' Club, and for having failed to pay per capita tax, withholding, and social security taxes. He had been removed by the International some 3 or 4 years prior to that time.

Mr. GIBBONS. Prior to 1954?

Mr. KENNEDY. Yes; 1950, I believe. He had been removed from the local for those reasons. The local had been placed in trusteeship at that time. Can you tell the committee why you designated this individual back in to help run the affairs of the local?

Mr. GIBBONS. Yes; I will be very happy to tell the committee. I have checked this for the details.

(The witness conferred with his counsel.)

Mr. KENNEDY. Go ahead.

Mr. GIBBONS. He was removed for roughly the reasons you stated. He went to Joplin. He worked on a truck for 7 years. At all times in connection with his work in the union he was a very popular figure with the membership. He is a very nice person, a nice old man. He worked for 7 years on a truck, and came back and asked us at another point whether or not we would give him another chance to operate the local.

Mr. KENNEDY. He was removed in 1950.

Mr. GIBBONS. I think he spent 7 years—well, it was 5 years probably.

Mr. KENNEDY. No; he was designated as the officer, or designated as one of those handling the locals' affairs in 1954. He could not have worked for 7 years in Joplin, Mo.

Mr. GIBBONS. Well, whatever it was. In the period in which he was removed as the secretary-treasurer of that local to the time he was put back—I thought it was 7, maybe 4 or 5 years—he worked on a truck out of Joplin.

Mr. KENNEDY. Mr. Gibbons, does not the union have a right to better representation than to bring somebody who had this very bad record back in to run the affairs of the local?

Mr. GIBBONS. Mr. Kennedy, the union is entitled to the very finest representation possible. There is, however, as in the entire world of

business, politics, and every other human endeavor, difficulty in obtaining adequate leadership.

This is a continuing, running problem that everyone in an organization in business and politics faces. We don't have a wealth of material available for this. This man had one thing to recommend him. He had an ability to work with people, an ability to get along with people, he had a background and experience of operating a local union. He had spent 4 years on the truck, and he came back and told me that he thought he could do the job, that he had learned his mistakes, and he was prepared to run that local union properly.

Mr. KENNEDY. Wouldn't there be other individuals in the hall of this local 245 who had not been found responsible for such mishandling and misappropriation of funds, or even in the Teamsters' Union in that area who had not been responsible for the misappropriation of funds, that could have been better designated to run the affairs of this local?

Mr. GIBBONS. I don't believe there is any evidence that Barrett ever misappropriated any funds.

Mr. KENNEDY. Misused funds, incompetency, mishandling funds?

Mr. GIBBONS. That is a lot different than misappropriating.

Mr. KENNEDY. And indebtedness of \$25,000 and dissipation of moneys collected for death assessments, contributions to the Boys' Club, and having failed to pay per capita taxes, withholding and security taxes?

Mr. GIBBONS. Just break those charges down for a moment, if we want to reason this out and get to the truth.

Mr. KENNEDY. These were the charges that were made——

Mr. GIBBONS. Right. Let's reason them out but let's not just slander a person. In the first place, you took back already the matter of misappropriating funds. Now, let's take the question of failure to pay these taxes. It is an administrative oversight and it is 1,000 to 1 he never performed that task, that some little girl in his office had that responsibility. Now, in terms of the mishandling of funds and dissipation of funds, the only thing that happened in those instances was that the man overspent.

Mr. KENNEDY. I am reading this from the report. You removed him, placed the local in trusteeship. If there is any slandering being done to this individual, it is the international.

Mr. GIBBONS. But not for the reasons you set forth. We removed him because of his inability to properly conduct the affairs of that union. It had to do mostly——

Mr. KENNEDY. Mr. Gibbons, I read the charges against him. All I say is in view of that kind of a record, wasn't there a better individual in the State of Missouri or in the International Brotherhood of Teamsters that could have come in and been placed over this local rather than Mr. Barrett?

Mr. GIBBONS. In the first place, you have to draw your leadership from that area. It is very difficult to get anyone to go down into that particular community, isolated as it is, relatively small as it is, as far as importing leadership.

Secondly, imported leadership isn't too welcome. We have to use it at times because of our inability to get adequate leadership, but we try to avoid it.

Third, this man was being placed back in charge of the union under a trusteeship, where the assumption was he would be much closer supervised. Those are all the things, the reasons, why we replaced him. In retrospect, I will join with you and say maybe it was not the best decision.

Mr. KENNEDY. Do you know Mr. Branch Wainwright?

Mr. GIBBONS. Yes, I know Mr. Branch Wainwright.

Mr. KENNEDY. Was he placed in any position of authority in that local?

Mr. GIBBONS. I believe Mr. Branch Wainwright worked on our organizing campaign and did an effective job in the Missouri-Kansas organizing campaign.

Mr. KENNEDY. You did not answer the question.

Mr. GIBBONS. This is part of it. I will be happy to say "yes," he was put in a position and then explain to you.

Mr. KENNEDY. Did you know when he was placed in the position that he had an extensive criminal record?

Mr. GIBBONS. Would it be all right if I explained to you in connection with my placing him there, Mr. Kennedy, in connection with your first question, before we go on to a second?

The CHAIRMAN. All right.

Mr. GIBBONS. He was placed in there because we had an experience with Mr. Branch Wainwright as an organizer on the Missouri-Kansas Conference of Teamsters. He had demonstrated effectiveness in terms of being an organizer, he had demonstrated leadership ability, and when we needed staff for that local union, he was one of the people we put on.

Mr. KENNEDY. Did you know at the time you placed him in that position of authority that he was an individual with an extensive criminal record, including 13 arrests and 3 convictions?

Mr. GIBBONS. At that time I had no knowledge, as I recollect it, of any criminal record on the part of this person. I have since found that out, and I have had an extensive investigation on it. I have had the man called in. He has been grilled by our attorney. His record has been checked. We visited Illinois. We found out among other things this extensive record you speak of consists of once as a young boy along with some other kids stealing a radio out of a YMCA, and, secondly, a charge and a conviction of armed robbery, for which the man spent 2 years in jail and paid his debt.

This is all the criminal record that we can find on this person.

Mr. KENNEDY. It is burglary and larceny in 1948.

Mr. GIBBONS. Was he convicted of this?

Mr. KENNEDY. Yes.

Mr. GIBBONS. Burglary and larceny?

Mr. KENNEDY. Burglary and larceny.

Mr. GIBBONS. Where at, Mr. Kennedy, and where did you get this record?

Mr. KENNEDY. November 16, 1948.

Mr. GIBBONS. Where?

Mr. KENNEDY. Jefferson City, Mo. The State Highway Patrol, No. F-3922.

Mr. GIBBONS. We don't know of any such record, any such conviction on the part of this man's record.

Mr. KENNEDY. When was the armed robbery conviction that he got 2 years for?

Mr. GIBBONS. Well, I think it was around 1950, if I am not mistaken, and he served time in the penitentiary on that.

Mr. KENNEDY. That was in 1950?

Mr. GIBBONS. 1949, I think; wasn't it?

Mr. KENNEDY. 11-6-50. When did he get the job with the Missouri-Kansas Conference?

Mr. GIBBONS. I don't know. But, in any event, when we hired those people, they were brought—

Mr. KENNEDY. Let's try to answer that.

Mr. GIBBONS. I answered it.

Mr. KENNEDY. You don't have any idea?

Mr. GIBBONS. I am now making a comment. You asked me what date he was put on. I don't know the date, but I will tell you roughly when it was.

Mr. KENNEDY. All right.

Mr. GIBBONS. I suspect it was around 1952, if I am not mistaken. I believe the campaign ran for 2 years, and in 1954, I think, he went on with the local union. But in those days we recruited our staff for that organizing campaign from the St. Louis Joint Council recommendations and from the Kansas City Joint Council.

Upon receipt of these applications, they were immediately forwarded to the international office where they were passed upon for appointment. One of them was found not in order and that person was brought in there and examined by President Beck. That was the only one that was challenged in those days. And he went on the payroll.

From that experience that I had with him for about 2 years, I had confidence in the man and I placed him on the payroll of the local union. I did it with the knowledge that at that—at that time no knowledge of the thing, but since then I found it and I have not removed him because I am convinced that a record in and of itself, standing alone, does not necessarily prevent a person's right to function.

I believe this is your own philosophy and the philosophy of this committee.

Mr. KENNEDY. But not when somebody appears before a congressional committee and is asked to give information regarding his conduct of his affairs, and refuses to do so on the grounds that an answer might tend to incriminate him.

Mr. GIBBONS. Mr. Kennedy, you and I have a disagreement on that. I believe in the right of a citizen to take the fifth if his conscience so dictates. I would like to preserve that for him.

The CHAIRMAN. You may believe in the right, but do you mean that you will employ people to run your personal affairs or the affairs of the union who, when interrogated about the conduct of those affairs, his responsibilities, and his position of trust in connection with them, takes the fifth amendment? Would you continue to employ him?

Mr. GIBBONS. When I interrogate him, Senator, which I propose to do in connection with every question asked him, I don't expect he will take the fifth and I expect an answer from him.

The CHAIRMAN. In the event he does, are you going to keep him?

Mr. GIBBONS. If he can't explain to me any charges leveled by this committee, he is not going to be working for me.

The CHAIRMAN. What is the difference?

Senator MUNDT. There is quite a difference, it seems to me, when a man is asked a question in front of a congressional committee, and tells a falsehood, he can go to jail for perjury. When you ask him a question and he tells a falsehood, you have to catch him at it. That is the difference. There is a lot of difference between a man concealing his use of union authority and union funds before a congressional committee, and concealing it before you, private citizen A versus private citizen B.

It seems to me that if you are going to engage in the employment of people who handle union affairs so unscrupulously that they have to conceal their use of their authority before a congressional committee by the fifth amendment, that should cause you considerable concern, and you should be able to find better leadership than that.

Mr. GIBBONS. I view it from two other points of view, Senator. No. 1, his right to take the fifth amendment here, refuse to testify against himself, be a witness against himself, is a basic constitutional right of every American citizen. I have no authority, no right, nor any desire, to deprive any American citizen of this right. It happens every day in America in every courtroom, where a criminal trial goes on day in and day out, thousands of people in the last 150 years have taken the fifth, and nobody has paid any attention to it. I am certain there is not a bar association in this country that would deny a man's right in a criminal trial the right to do that.

He is up here now exercising that same basic right. I have no right to do it and I have no desire to do it.

However, when it comes to my calling in an employee of mine, where people have raised serious questions about his handling of union affairs, he has no constitutional right at that point. At that point, he will either answer to my satisfaction or he will be removed.

Now, as far as him being——

Senator MUNDT. But have you any authority? He can lie to you by the clock.

Mr. GIBBONS. Now let's go to that point. That is what I am getting to. Now, as to whether or not he might get caught if he testifies up here or he may not get caught if he testifies before me, rather than take away any legal rights of any person I am associated with, or who is beholden to me in any fashion, I would much rather that 10 people who are guilty go free than that 1 person suffer.

This, I think, is in the best tradition of American justice, Senator.

Senator MUNDT. Here is the difficulty. That is probably all right as far as you are concerned, because you don't get hurt. But all the members of the Teamsters who pay their dues, and who have to pay higher dues than they otherwise would have to pay because crooks are walking off with their money, what do you think about those innocent people? Have they any rights?

Mr. GIBBONS. This isn't so that I don't get hurt. I am a responsible officer of the trade union movement and I take my duties very seriously, Senator. I am as much concerned about the welfare of our people, the operation of their unions, their funds, and the trust that

they place in their officers as any member of our union. I get hurt when the trade union movement is besmirched in any way, shape or form.

Senator MUNDT. You may get embarrassed, but they get hurt financially, because they would have to pay dues higher than they would otherwise have to pay.

Mr. GIBBONS. I pay my dues as well as anybody else. I have as much a financial equity in this organization as any rank-and-file member has.

Senator MUNDT. I would assume, Mr. Gibbons, that your salary is such that you can afford to pay your dues more easily than a fellow working on a truck.

Mr. GIBBONS. That happens to be as of recent date. But up to the time I was 43 years of age I never made more than \$125 in my life, and I had every title that I have now, except one. Every man on my staff got exactly the same salary. I don't want to make any self-serving statements here, but you have raised the question.

Senator MUNDT. Indeed I raise the question, because this is one of the serious problems.

Mr. GIBBONS. I'm concerned about it, and I think as a Senator you should be concerned about it. I have no quarrel over your concern about it, Senator.

Senator MUNDT. We have to find some way to protect the rights of rank-and-file union members against unscrupulous acts.

Mr. GIBBONS. This I join you in heartily.

Senator MUNDT. If you are going to be a high official of the union and if you are going to hire people who handle the finances and such of the local union in such a fashion that in order to protect themselves they have to take the fifth amendment, which they have a constitutional right to do, then I think you should give more concern to the interests of the rank-and-file members, than this particular fellow who takes recourse in the fifth amendment to protect himself against perjury or against disclosing the fact that he has gone south with the money and the dues.

Mr. GIBBONS. Actually, one of the problems in the fifth, and I am sure you are well aware of this, Senator, is that while he may be very free to talk about certain aspects of his work or all the aspects of his work, once he opens the door by answering one question, he might very well lose the privilege. This is a very difficult problem when it faces any one here. I doubt whether there is a lawyer in America that can say to you that you can answer honestly any question you want to but stay away from certain other areas and you can get away with it.

I don't believe he can do that. The things he may want to discuss may not have anything to do with the question of safeguarding of union funds. It is not a simple problem. This is the difficulty of the fifth amendment.

The CHAIRMAN. Are there any further questions?

Mr. KENNEDY. Yes, I have further questions.

The CHAIRMAN. Proceed.

Mr. KENNEDY. There was another conviction, if you want to know about it. Mr. Wainwright was convicted of burglary in 1934 and of burglary and larceny in 1948. He was convicted of assault with

intent to harm in 1949. He was convicted of the one that you just mentioned, assault with intent to rob, in 1950. That was the one that he received the 2 years for.

Mr. GIBBONS. Mr. Kennedy, I would appreciate it if I might have a copy of that, if the committee would provide me with a copy of it, because I certainly intend to pursue this subject much further.

The CHAIRMAN. Very well.

Senator MUNDT. Would it be a reasonable suggestion that our providing you with this information, that you would then provide us what action, if any, you take against Mr. Wainwright?

Mr. GIBBONS. I certainly will submit to the committee a report on my investigations and what actions I determine to take, and what the reasons for them were, in fact.

Mr. KENNEDY. Did he tell you that he had only two convictions, Mr. Gibbons?

Mr. GIBBONS. Well, actually, I asked my attorney, and he is in a much better position, but I believe in the discussions I had with my attorney, the only convictions we were aware of were simply two of them.

One was—incidentally, the one up in Waukegan was a petty larceny, a misdemeanor. It was not burglary or anything of that sort. Either we wrote up there to get this information—

Mr. KENNEDY. That is 1934.

Mr. GIBBONS. Or we called—yes, as a child, a younger fellow.

Mr. KENNEDY. But he has had a long record since then, Mr. Gibbons.

Mr. GIBBONS. I can only say to you, and this is no passing the buck or anything like it. It so happens in those days our personnel in that organizing drive were approved by President Beck. I really did not give too much attention to it, as I properly should have—I probably should have.

Mr. KENNEDY. Was he hired coming right from the penitentiary for this position?

Mr. GIBBONS. I don't know, and I don't believe so. It certainly was not with any knowledge of mine and certainly not with any knowledge of President Beck, because President Beck would not have hired him. I know one person involved in this was called into Washington.

Mr. KENNEDY. If he was convicted in 1950, he was paroled on December 5, 1951. He must have been hired just out of the penitentiary.

Mr. GIBBONS. 1953, I think, was when this campaign started, Mr. Kennedy, if I am not mistaken.

Mr. KENNEDY. Did you look into his background at all when you hired him?

Mr. GIBBONS. No; I say I did not. My function was to collect the applications and forward them to the international office.

Mr. KENNEDY. Why were all of the officers removed in local 245?

Mr. GIBBONS. I believe—generally speaking, in the operation of a local union, when the chief administrative officer goes, the rest of his staff resign with him.

Mr. KENNEDY. Even when they had been elected by the rank-and-file members and there were no charges against them?

Mr. GIBBONS. Yes. Incidentally, I might add for your further information, that they were submitted to the membership and they voted requesting this trusteeship, and they approved of the action.

Mr. KENNEDY. But these officers who were elected by the rank and file, Mr. Gibbons, why weren't they kept on when there were no charges against them, instead of bringing in people like Barrett and Wainwright?

Mr. GIBBONS. I say to you, generally speaking, a staff works with the chief administrative person, and when he leaves, they generally leave with them. It is a very close-knit relationship when you are operating a trade union with a staff, at the staff level.

Mr. KENNEDY. We had the testimony before the committee that these officers then found it difficult to find jobs in there, around that area, and two of them at least had to leave town. Do you approve of that kind of operation?

Mr. GIBBONS. I certainly don't approve of it, No. 1, and I certainly had no knowledge of it, No. 2, and I don't understand how people—I operated a union for 25 years. I never had that much influence, and it was a much bigger union than this one. I could never keep anyone out of a job in a given community by any conduct of me or my local union.

Mr. KENNEDY. We had the sworn testimony before the committee in connection with that, and you were the trustee of the local during the period of time that it was going on.

Mr. GIBBONS. He could also testify to you that physically I never even visited that local, to my knowledge. But I still take responsibility for it. But I assure you that if I had known of any such efforts on the part of this local, no officer would have served under me and practiced that kind of a boycott.

Mr. KENNEDY. We had the testimony on the Allen Cab Co., that some of those people who worked for the Allen Cab Co. found it difficult.

Mr. GIBBONS. That is quite a different deal, Mr. Kennedy. Let's not just equate those two.

Mr. KENNEDY. They found it difficult to get jobs with other cab companies.

Mr. GIBBONS. No; they found difficulty getting membership in 405 because they had violated the basic principles of holding membership.

Mr. KENNEDY. You mean they had voted for another union?

Mr. GIBBONS. No; this wasn't it. Well, incidentally now they gave up voluntarily any membership. But they did not do that. You belong to a lot of clubs. They have rules, Mr. Kennedy. Unless you observe the rules, they throw you out. One of the rules in a trade union is you don't work behind picket lines. Understand? And until such time as he could straighten himself out on charges similar to that, he was not about to get a membership in our organization.

Mr. KENNEDY. But the membership, the people in that cab company, had voted 99 to 10 to have a different union rather than Teamsters.

Mr. GIBBONS. And this is their privilege.

Mr. KENNEDY. After that, when they wanted to switch over to another cab company, they were unable to get jobs.

Mr. GIBBONS. Fill in the whole details. After that he scabbed.

Mr. KENNEDY. He went to work because he went into a different union.

Mr. GIBBONS. After that he scabbed. He knew when he scabbed this was a violation of a very basic tenet of unionism.

He made his choice. It was a free choice. I did not quarrel with him when he decided to vote against our union.

The CHAIRMAN. Did you quarrel with the vote they cast, 99 to 10?

Mr. GIBBONS. I didn't quarrel with him individually or with the company as a whole.

The CHAIRMAN. In other words, how are the men going to get democracy in their unions, where their will will be carried out?

Mr. GIBBONS. I think in this instance this is an excellent demonstration of the democracy that exists in a union when a group of our members of their own free will and volition cast a vote and walk out of the union. Now, of course, in terms of the rest of the movement, where the NLRB strictly applies, this is a God-given right of every American worker. All he has to do is get 30 percent, and not even a majority, and it can be tested, and in my local union it has been tested, and I have lost some shops. It has been tested in other situations and I won the decertification election. But there is no question of a lack of democracy in terms of a worker having a problem with a union and not being able to get some relief from it.

Mr. KENNEDY. These people are no longer scabs.

Mr. GIBBONS. Aside from this one, there are many other channels.

Mr. KENNEDY. They voted not to have the Teamsters Union, and the Teamsters put a picket line up. The Teamsters opposed this, and they continued to go to work, and then do you call them scabs? They are called scabs then, Mr. Gibbons?

Mr. GIBBONS. I am sorry I did not want to interrupt you at the point you were making, because it is actually what took place. We opposed that election and certainly we have a right to put forth the position of unionism and try to win that election.

Mr. KENNEDY. That is right.

Mr. GIBBONS. This we did.

Mr. KENNEDY. That is right.

Mr. GIBBONS. No. 1.

Mr. KENNEDY. Who did the National Labor Relations Board uphold?

Mr. GIBBONS. Nobody; they were not in it.

Mr. KENNEDY. You did not take any action with the National Labor Relations Board?

Mr. GIBBONS. I don't believe we did, and I don't think that the NLRB was involved. This was an election conducted, perfectly legitimate election, and no question as to its correctness and being proper, and I think a university professor ran it. Now, at that point, we had built up in our organization in that industry certain conditions, and it was 100 percent organized to my knowledge in those days. Here comes an outfit now with a different union, and the only way it could get recognition from that company, because it had no resources, was some kind of a deal in which they would not maintain the standards of the rest of the industry. Now, we have a right to protect the standards of our members, Mr. Kennedy, and we advertise the fact to the general public, who by and large want to support decent conditions for workers in any industry. We advertised merely the fact that the Allen Cab Co. was nonunion, and so that they would have a free choice

and not be in ignorance and support a bad situation which is not even to their own liking.

Mr. KENNEDY. These people continued to work there.

Mr. GIBBONS. That is right.

Mr. KENNEDY. Subsequently they wanted to work for another cab company.

Mr. GIBBONS. That is right.

Mr. KENNEDY. And become members of the Teamsters Union?

Mr. GIBBONS. Now, that is something else; they wanted to become members of the Teamsters Union and they had deliberately and consciously and voluntarily made their choice of parting with the Teamsters. Now, then, they are not coming back into the Teamsters on this account.

Mr. KENNEDY. That means they cannot get a job with the other cab company.

Mr. GIBBONS. All I am concerned about, and what the facts are, this situation is that they cannot become members of 405 until they straighten themselves out.

Mr. KENNEDY. As a practical result, that means they cannot go to work for another cab company.

Mr. GIBBONS. That may very well be, Mr. Kennedy, but it is incidental to anything that our union did.

Mr. KENNEDY. Mr. Gibbons, they had an election in local 245—

Senator MUNDT. Before we leave that point, you said something about "until they straighten themselves out." Now, will you dilate on that a little bit? You are quite an exponent of the concept of reformation, that you have indicated earlier, that people who have gone to jail need not necessarily be denied a right to earn a living. Now would you say that a man who had voted himself out of the Teamsters is dead then as far as any future chance to come back in the Teamsters is concerned, or what do you mean by "straighten himself out"?

Mr. GIBBONS. Actually one of the other factors, now, as I concentrate more and more on this particular situation which Mr. Kennedy raised, was he lied in his application also. He gave us a fraudulent application. We didn't catch up with him for some 3 months afterward.

Senator MUNDT. I was not here when he testified. Does this all involve one man?

Mr. GIBBONS. One man, I think.

Senator MUNDT. I thought there were 99 people.

Mr. GIBBONS. There was only one man and the question you raised was how does he now become back in good standing. I actually don't know what those bylaws provide for, but again I will have to give you a report on that.

Senator MUNDT. You must have some procedure for a fellow who is out of the union, and then changes his mind 2 years from that and he should not be denied a right to earn a living for all time to come.

Mr. GIBBONS. I pointed out to Mr. Kennedy in a previous discussion on this that in 15 years that I have been an executive officer of local 688, I don't believe, and I cannot recall a single solitary instance in which we threw anybody out of our union. That is charges

or otherwise. I am very conscious of the importance of the trade union upon the matter of earning a livelihood for a worker.

Senator MUNDT. Were you here yesterday?

Mr. GIBBONS. I think also just as well, that a union like any other organization has an inherent right to protect itself.

Senator MUNDT. There is no question about that. Were you here yesterday afternoon?

Mr. GIBBONS. I left early, Senator.

Senator MUNDT. Were you here when the witness came in from Detroit, I think it was?

Mr. GIBBONS. I was here for the early part of his testimony, but I was in and out of the room, because I am not affected by that one.

Senator MUNDT. Except that he pointed out that people were thrown out of the union some place up there who were running for office, and denied the union membership, and they were ill, and could not pay dues and all of that. It did not sound very good.

Mr. GIBBONS. I am not familiar with that, and I prefer not to discuss it, Senator.

Senator MUNDT. I just wondered if you were here.

Mr. KENNEDY. They had an election in local 245, I believe, in May of 1958, in this year, Mr. Gibbons.

Mr. GIBBONS. Yes, they did not hold it.

Mr. KENNEDY. Nominations for election.

Mr. GIBBONS. And the whole thing was canceled out at the request of the monitors.

Mr. KENNEDY. At that time, according to the testimony, out of the total membership of some 1,200 only 53 could run for office. The membership were not informed as to who was eligible until after the nominations. Were you aware of that?

Mr. GIBBONS. No, but I don't know of its significance in terms of nominations. Was any person denied nomination because he was not in good standing?

Mr. KENNEDY. No.

Mr. GIBBONS. Well, this has no particular significance in the democratic processes of nominating for an election.

Mr. KENNEDY. It does not have any significance to you. I don't believe it has any significance in the actual working of an election.

Mr. GIBBONS. You call a meeting for nominations and everyone is free to nominate, and they can nominate anybody they want to, and at the point that arose, rules are checked, and this becomes a significant factor.

Mr. KENNEDY. So they nominate people, and for instance all but one of the opposition to Wainwright was eliminated, and all of the opposition to Round was eliminated.

Mr. GIBBONS. Now, before you pursue it further, you might be interested to know—

Mr. KENNEDY. Would you answer that question? That is what happened?

Mr. GIBBONS. I thought you made a statement, and you told me what happened, and I will agree with you that this did probably happen, but I wanted to add one further factor.

Mr. KENNEDY. Do you approve of that?

Mr. GIBBONS. No, I don't approve of it, and I wanted to add a factor which will tend to demonstrate it. It so happens I approve of the fact that if these people are not in good standing, they have no right to run in our organization. That has been for 40 years now in our union. There has been a clause in the contract which I oppose, which I opposed in the past, and which has to do with the business of keeping your dues paid up on or before the first day of the month, but it is there, and I have to live with it like every other officer of our union. Now, let me add this one fact, sir, for your further information. Two or three of those opposition guys who were nominated and who were declared ineligible have on the recommendation of our lawyers, they made a request and as soon as they made a request it was referred to our attorneys and our attorneys have ruled that they are ineligible to run for office. Now, this is long before there was any investigation of 245, by the McClellan committee, and so it has no impact as far as we are concerned. I will send you a copy of the letter if you are interested in it.

Mr. KENNEDY. Was that after the monitors came into it?

Mr. GIBBONS. But it has been resolved.

Mr. KENNEDY. Was that after the monitors came into it?

Mr. GIBBONS. I would not know. It was the first occasion that these workers took their pencil in their hands and wrote us a letter. It may very well have been.

Mr. KENNEDY. Mr. Gibbons, you were the trustee, and you were the one who was controlling, and why didn't you waive the rules?

Mr. GIBBONS. Because I have no authority to waive the rules.

Mr. KENNEDY. Why didn't you petition to waive the rules, like the rules were waived for your election in St. Louis?

Mr. GIBBONS. There were no rules waived for my election in St. Louis, Mr. Kennedy, and you have no testimony to the fact that there were rules waived.

Mr. KENNEDY. Certainly the rules were waived.

Mr. GIBBONS. I wanted to discuss the issues in my election, but I never got the opportunity to discuss them.

Mr. KENNEDY. The provisions of the constitution were waived.

Mr. GIBBONS. Oh, no, they were never waived in my election, Mr. Kennedy.

Mr. KENNEDY. They are waived now, and you are willing to disqualify those votes?

Mr. GIBBONS. No, I am not. I am perfectly willing to have another election.

Mr. KENNEDY. That is the question. These votes are illegal just as these individuals are illegal.

Mr. GIBBONS. I have no authority to take away from local 247 their right to representation in that convention, in that election, but I will be very happy to submit myself again to the people in that community for leadership purposes.

Mr. KENNEDY. All I am asking you is why the rules were not waived for local 245 as they were waived for your election in Joint Council 13.

Mr. GIBBONS. Your formulations are such that I can't answer those questions, because they aren't the same. There was no comparison between what happened in my election and what happened in Springfield.

Mr. KENNEDY. The delegates at your election were not legal delegates.

Mr. GIBBONS. There is a trusteeship there.

Mr. KENNEDY. Under the constitution the delegates were not legal delegates, and under the constitution you say these people nominated for office in local 245 are not legally nominated.

Mr. GIBBONS. You are always very conveniently forgetting certain facts, Mr. Kennedy.

Mr. KENNEDY. I am not forgetting certain facts.

Mr. GIBBONS. I will supply one fact, Mr. Kennedy, which you appear to have neglected.

Mr. KENNEDY. Oh, no, that is what the record shows, Mr. Gibbons.

Mr. GIBBONS. I don't know who makes your record, but I did not make it. The facts don't attest to that record being correct, if that is what the record shows.

Senator MUNDT. What is this mysterious forgotten fact you want us to know about?

Mr. GIBBONS. One of the clauses in our constitution, Senator—and I suspect it is in a lot of constitutions when you deal with a tremendous organization like ours, with many thousands of problems that face a general president—one of the facts is that he has a right to interpret the constitution in between conventions. Now, under President Hoffa that has been changed. At his request, it is changed so that the general president no longer can interpret the constitution, but this is now a function of the president and the general executive board.

Mr. KENNEDY. If I could just interrupt on this question, you asked who made the record about violating the constitution, and I would like to refer to your own testimony on page 3226.

Senator Ives asked you:

What I am driving at is that you probably violated the letter of the constitution because you really had to, didn't you?

Mr. GIBBONS. Literally we did. At the time that it was violated—

Senator Ives. Why not admit it?

Mr. GIBBONS. I have no objection to admitting that conceivably it was.

Now that is your own testimony.

Mr. GIBBONS. I carefully qualified it, No. 1, and No. 2, on the basis of your interpretations, Mr. Kennedy, which were then the subject of debate, it could conceivably look very much like a violation, but you aren't the person who interprets our constitution.

Mr. KENNEDY. I am not interpreting it. I am reading it to you. I am reading you:

Temporary officers and trustees must be members in good standing of local unions in good standing—

and then I am reading over here on page 38, what a member in good standing is:

A member in good standing is one who has had his dues paid up on the first of the month.

These people didn't have their dues paid up and it can't be any clearer.

Mr. GIBBONS. Let me advise, and this is so basic it should not be mentioned, anything you can write down, two people can interpret it differently.

Mr. KENNEDY. "Thou shalt not steal."

Mr. GIBBONS. Well, there is an awful lot of stealing goes on in this world of ours, Mr. Kennedy, and it is legal. It is so legal it isn't even funny. Now, if you want to know anything about interpretations, I refer you to the Supreme Court. Time and again the very thing that the very words spoke about has been changed by exactly the same Court. Today a set of words mean one thing, and a few years later the same Court take those same words and they give it a considerably different meaning.

Now, this is a debate which is endless and I don't know how productive it is.

Mr. KENNEDY. Now, Mr. Gibbons, did you approve of the fact the membership was not informed as to who was eligible for office in this local?

Mr. GIBBONS. Did I approve or disapprove? I say to you in terms of holding the meetings for the purposes of nomination, it is of little moment that I would know whether someone is in good standing or not in good standing.

Mr. KENNEDY. You don't see there is any importance to know whether you nominate somebody, they are going to be declared illegal?

Mr. GIBBONS. Well, I am talking now about the mechanics of that first meeting. If this meant that I might have plans laid to put someone in, and I find he is not in good standing, I may welcome that information later on because I would say there is a good union man, and if he does not pay his dues, I would be happy to change my opinion.

Mr. KENNEDY. Do you approve or disapprove of the membership having the information as to who is in good standing in local 245 at the time they were nominating them?

Mr. GIBBONS. This disqualified certain people and if I were running the show at that particular time——

Mr. KENNEDY. You were trustee.

Mr. GIBBONS. Let us get back, and let me finish, if you will. If I were running that show, and if I were the person in charge, I probably would have handled it differently. These people handled it in exactly the fashion it has been handled in our international union and in every other international union through the years. Now, it also probably applies to the bar association, and every other association, Mr. Kennedy, and these technicalities are wonderful to look at in retrospect, but I am not so sure in the normal day-to-day affairs, that these are strictly observed to the letter. I don't believe these men ever even entered this meeting with the concept of a dissident group or an opposition crowd, or any rebels. So I don't think it was something plotted.

Mr. KENNEDY. It just seems to me that the membership should be allowed to know or permitted to know in this country who is eligible to run for office and who is not eligible to run for office in a labor union.

Mr. GIBBONS. It would seem to me if I was a member of a union and I was interested in running for an office, I would know whether I was eligible or not without any problem. But this is a question as I told you, if I were handling it on the spot, I may have handled it differently.

The CHAIRMAN. Mr. Gibbons, we have found not in this instance but in others, cases where people are really disenfranchised from voting, and where they are disenfranchised in the sense of being declared ineligible to hold office in unions because their dues are not in the treasury of the union on the first day of the month. That is the dues of the members. Where the dues are withheld, and where you have a contractor withhold them, do you think it is fair and right to disenfranchise those members whose dues are withheld just because the dues did not reach the treasury by the first of the month?

Mr. GIBBONS. Senator, I do not believe that this is right and proper and good or fair or any other commendable adjective. I am opposed to this particular clause in our constitution, and I think it is ridiculous if a man enters into employment and he has a checkoff in his contract, and he has a legitimate right to assume he is in good standing every month.

The CHAIRMAN. Don't you think he is in good standing, when you make the contract, and when you make the contract for the checkoff, and the man works and the employer checks off or withholds his dues? Don't you think he is in good standing and no rule to the contrary could keep him from being eligible?

Mr. GIBBONS. Well, I personally am convinced that this is adequate to keep him in good standing, but I don't have the authority to say or do that. Now, at the last convention, Senator, I was one of those who advocated changing that, and I will certainly at a future convention continue. Now, there was a compromise arrived at and it is not a good compromise even. The best I could get out of the convention was we would alert everybody to pay 1 month in good standing when they are on checkoff.

(At this point, the following members were present: Senator McClellan and Mundt.)

The CHAIRMAN. Let me ask you this: If you are having so much difficulty getting a fair rule of eligibility established within the framework and authority of your own union, your international, would you object to a law requiring you to recognize them as eligible where their dues have been checked off?

Mr. GIBBONS. Yes; I would object to a law, Senator. But I would certainly bend my own efforts in that direction.

The CHAIRMAN. All right; let's go a little further.

Senator MUNDT. Why would you object to the law? That is, if you believe in the policy.

Mr. GIBBONS. I have a serious concern of too much interference on the part of governmental authorities in the internal affairs of voluntary associations of Americans. It seems to me that one of the greatest guardians we have in this country against oppressive government is the freedom of men and women of this country to freely associate themselves in voluntary associations and stand up against governmental operations where they become oppressive. I think down through the years that is one of our safeguards.

Senator MUNDT. We agree on that, but that is exactly what is not happening.

Mr. GIBBONS. That is where we disagree. I think in the trade-union movement it is happening, despite the evidence you have brought out.

Senator MUNDT. It is happening in a great many locals of all unions, perhaps, but there are a great many areas where it does not happen. How do you propose to protect that individual worker?

Mr. GIBBONS. I regret if it is happening in any individual spot, if there is a denial of any of these things we are discussing. But I would say to you that any kind of objective analysis of the operations of the American trade-union movement will find it to be far more democratic than any of the business associations, 90 percent of the bar associations, et cetera, et cetera, down through the land. I am not, by saying that, condoning for a moment the violation of one single democratic principle in a trade union movement, necessarily.

Senator MUNDT. If you don't think this has happened rather generally, you should read our mail.

Mr. GIBBONS. I also receive mail. I also investigate complaints. There isn't a day that goes by that I don't have a half dozen investigations taking place on complaints. Unfortunately in this world there are some people who seemingly just don't understand or something, because when we investigate those things we find that every opportunity was given this person, every constitutional privilege was accorded to him, and yet he will say barefaced this did not happen or this did not happen. When an arbitration session takes place, involving one person's job, that one person ought to understand that an arbitration session took place.

But I have investigated complaints where they said they never had arbitration. When I found out they had arbitration, they had a third party and everything, it is difficult. I think there may be some of that in your mail. I think there may be some legitimate complaints in your mail.

Senator MUNDT. I think that is right; there are some legitimate and some not. You said you made a recommendation to the last convention on how you would protect these democratic rights of your members, that you were opposed to the way it was now being done and you made a recommendation and you were voted down or some unsatisfactory compromise was agreed to. Am I not correct in that?

Mr. GIBBONS. No. All I said was I was one of the people in this international union who felt that the clause which requires a member to remain in good standing must pay his dues on or before the 1st day of the month—I was one of those who felt this was too restrictive. I was one of those who felt we should have it more liberal——

Senator MUNDT. How did you propose to change it?

Mr. GIBBONS. I wanted everyone who paid his dues currently in the course of the 30 days of the month, would remain in good standing.

Senator MUNDT. Would you follow that, then, by including in the constitution that at your election meetings it is the right of every member to have a list of his associates who are eligible to vote and who are eligible to hold office?

Mr. GIBBONS. This becomes not so easy. There is no use in making up a list, unless you post it; right?

Senator MUNDT. Yes.

Mr. GIBBONS. There is no use in making up a list unless you draw it to the attention of every person, because if it is your intention to draw it to the attention of the membership, it becomes necessary that you certify it to each individual personally.

Senator MUNDT. We do that in our national elections and it works pretty well.

Mr. GIBBONS. I don't think we do that in a national election to my knowledge.

Senator MUNDT. Yes; you have to register.

Mr. GIBBONS. But you don't bring it to my attention who is registered. I have walked into polling booths and I have been told "Mr. Gibbons, you are not able to vote." I didn't know about it, nobody told me who was eligible.

Senator MUNDT. You ought to know. You had to register.

Mr. GIBBONS. This is my argument about a member. He should know whether he is in good standing or whether he isn't.

Senator MUNDT. He wants to know who he can vote for. When you have a candidate for office, then you have assurance there that this fellow is a legitimate candidate. You don't elect a candidate and say "You can't serve, because you are not a citizen."

Mr. GIBBONS. I think if I were interested enough in a person being president of my union to nominate him, I certainly would know enough about that person before I reached the point of liking him well enough to nominate him. I think I would like him enough to know whether he was in good standing.

Senator MUNDT. He can't tell, if the company is sending in his checkoff dues.

Mr. GIBBONS. Yes, he can. He has a book in his pocket. The book indicates what date they were paid on. It is stamped on there, the date of the payment.

Senator MUNDT. It is checked off. He does not pay it. Would you like to eliminate the checkoff system, so he would have to pay it directly, and eliminate that?

Mr. GIBBONS. Many of them——

Senator MUNDT. Answer the question. My question is, would you like him to go in and pay his dues and get a receipt and then he knows?

Mr. GIBBONS. No; his place of finding out whether he is in good standing, whether his dues are properly——

Senator MUNDT. I will ask the recorder to read my question again. Mr. Gibbons did not get it.

Mr. GIBBONS. Under the checkoff system, Senator——

Senator MUNDT. Wait a minute.

(The pending question was read by the reporter, as requested.)

Mr. GIBBONS. The answer, of course, is that I am strongly in favor of the checkoff system. There is nothing in the checkoff system which in any way handicaps a person from finding out whether or not he is in good standing. His union office is there, his produced postal card is open for inspection. He can go in and get stamps, even though he is on checkoff. And those stamps will indicate when he is in good standing and the dates received.

Senator MUNDT. The only disadvantage of a man who is under the checkoff system, the problem arose there because whoever checked off his dues at the company has to send it to the union hall.

Two or three days elapse and he was declared ineligible. That was not his fault.

Mr. GIBBONS. I am just saying that at any point along the way that he wants to find out if he is in good standing for an election, he can go in and check it. It is quite true that under the checkoff system it is conceivable that he might lose out. I face that in the local that I happen to be privileged to represent. We went around to every one of our shops and had them pass a resolution authorizing the additional checkoff of 1 month's dues in order that everyone would be paid up in advance.

This didn't solve my problem. This is maybe 4 or 5 or 6 years ago. With the turnover of help this doesn't apply.

So it is a continuing kind of problem. The actual solution has to do, in my estimation, with eliminating the provision in which you must pay our dues on or before the 1st day of the month in order to be in good standing.

The CHAIRMAN. Is there anything further?

Let me suggest: I see no other way to do it unless you folks will straighten it out, except to require an eligible list to be published in advance of the nominating meeting.

I see no other way, because the way it is operating now, in some places, in some instances, working people whose dues are withheld, and they have to be for the job, are declared ineligible to hold office and ineligible to vote. If you folks wouldn't straighten it out, I think it is incumbent upon the Congress to enact laws to protect the people who work. It is just that simple to me.

All right, Mr. Kennedy.

Mr. KENNEDY. Mr. Gibbons, in that local why didn't you waive the provisions of the constitution?

Mr. GIBBONS. Why didn't we?

Mr. KENNEDY. Yes, and allow people under the checkoff system to vote.

Mr. GIBBONS. Well, I think what we did—today, you know, we work very closely with our attorneys. We have a set of monitors, as you know, court appointed. They observe everything we do. We have quite a large staff in the field.

Mr. KENNEDY. That does not answer it. I am asking why you did not do that in local 823?

Mr. GIBBONS. I am explaining.

Mr. KENNEDY. You want to make a speech first. Just give us the answer.

Mr. GIBBONS. I will give you the answer and then make the speech later. I think some times, Mr. Kennedy, the answer to those questions cannot be found in yes and no. The reason why we did not is because our attorneys did not recommend that we do it. Our attorneys did recommend, as an interpretation of our constitution, that people who did not pay their dues on or before the 1st day of the month be made eligible in a series of local unions, those who are on the checkoffs, who had not paid their dues on or before the 1st of the month, in a series of local unions, in order to facilitate their coming out of trusteeship.

Our attorneys made such a ruling and we followed that ruling. But there was a deadline placed by the attorneys on that ruling, for reasons best known to them.

I am not a lawyer, and I don't believe it was available to us at that particular time. Whenever this question was raised, and it was raised in much more serious fashion than down there, because we did not know there were only 50 people in good standing in that local, wherever it was raised, we used that where it was available to us.

Mr. KENNEDY. They raised it in Pontiac, Mich., on April 28, 1958.

Mr. GIBBONS. When was the election?

Mr. KENNEDY. This election was in May of 1958.

Mr. GIBBONS. This may have been exactly the months where the cutoff dates came.

Mr. KENNEDY. Who made the decision?

Mr. GIBBONS. Mr. Edward Bennett Williams was the man who interpreted it.

Mr. KENNEDY. Made the decision about these other locals?

Mr. GIBBONS. I think he was the one who gave the cutoff dates.

Mr. KENNEDY. He did?

Mr. GIBBONS. Yes.

Mr. KENNEDY. Which would provide in these locals which were going to have their elections, that the people under the checkoff system could not participate?

Mr. GIBBONS. No.

The constitution automatically was applied after a certain cutoff date.

Mr. KENNEDY. Which meant that certain people under the cutoff system where their dues did not arrive by the 1st of the month could not participate?

Mr. GIBBONS. Yes. But in many other locals——

Mr. KENNEDY. What was the reason for that?

Why did they change that?

Mr. GIBBONS. You see, I am not a lawyer. I don't know why they put the cutoff date on. Why they initially made the ruling that you could vote, and run for office, even though you had not paid your dues on the 1st of the month, the purpose of that was to facilitate getting some of our locals out of trusteeship. We found instances where there were less than 7 men in good standing in a local of 2,000 members.

Mr. KENNEDY. You say the rank and file member should be able to go and find out whether he is in good standing. You can see how difficult it would be if you as a vice president would not know about it, and the rank and file member did not know whether the international was going to waive the constitution or not.

Mr. GIBBONS. I don't think you demonstrate your point too well in that, Mr. Kennedy. I am not interested in finding out, as a vice president, the details of that small moment.

Mr. KENNEDY. That is small moment for you, Mr. Gibbons, but it is a very big moment——

Mr. GIBBONS. That is exactly why I did not——

Mr. KENNEDY. But it is a very important matter to people in local 245.

Mr. GIBBONS. That is right. That is why you can't pose these two as being the same thing. It is easy for them, it is of importance to them, it is easy for them to determine those facts.

Mr. KENNEDY. What about local 823? Did you have anything to do with that?

Mr. GIBBONS. Where is it located?

Mr. KENNEDY. In Missouri, Joplin, Mo.

Mr. GIBBONS. No, to the best of my knowledge, about the only thing I had to do with that was one time literally by accident. I got into that town of Joplin when I was traveling with President Hoffa, making about four stops, as I recall it. One of them happened to be Joplin, when he had occasion to go in there. I think he was holding a meeting for nominations.

Mr. KENNEDY. Did you make a speech at that meeting?

Mr. GIBBONS. I made a speech at that meeting.

Mr. KENNEDY. Did you make a speech in favor of Floyd Webb?

Mr. GIBBONS. I made a speech favoring Floyd Webb.

Mr. KENNEDY. At that time were you aware of the payment by the union of some \$4,000 in connection with the assault on Mr. Clyde Buxton?

Mr. GIBBONS. I was also aware of the fact that we were facing a \$70,000 suit, a suit for \$70,000 worth of damages, and it would cost us maybe \$10,000—

Mr. KENNEDY. Answer the question. Were you aware of it?

Mr. GIBBONS. Yes.

Mr. KENNEDY. Were you aware of the fact that some \$4,000 had been paid out?

Mr. GIBBONS. I approved, incidentally, of the decision to pay four, if I had been consulted, because it would have cost us \$10,000 in attorney's fees. I thought it was smart of Webb.

Mr. KENNEDY. You were aware of that?

Mr. GIBBONS. Yes, sir; the \$4,000 settlement.

Mr. KENNEDY. You were aware of the National Labor Relations Board findings in connection with Floyd Webb?

Mr. GIBBONS. You are getting into a great many details which I was not necessarily aware of. But I will tell you the basis on which I made my speech, if you are interested, Mr. Kennedy.

Mr. KENNEDY. I wanted to find out first whether you are aware of the National Labor Relations Board finding that Floyd Webb had ordered the beating of these individuals.

Mr. GIBBONS. I am not even aware as of today that the Board made such a finding, Mr. Kennedy. But I don't recall having been aware of it at that moment.

Mr. KENNEDY. You are aware of the \$4,000 being paid out?

Mr. GIBBONS. That is right. That was based on the business of being practical about it.

Mr. KENNEDY. Were you also aware of some \$4,000 of union funds being paid out for the wrongful firing of Buxton and Jess Hawthorne?

Mr. GIBBONS. I could very well have been aware of it, but I am not certain.

Mr. KENNEDY. Some \$4,800.

(The witness conferred with his counsel.)

Mr. GIBBONS. Under the NLRB, you know, there are all kinds of sums being paid out. Whether they are being paid out properly or not is a very serious question, because you don't have a court situation there, and you have a highly prejudiced Board at the moment as far

as labor unions are concerned. If they stick us with a few settlements, it does not surprise me, and neither does it impress me too much.

Mr. KENNEDY. They stated:

And the trial examiner concludes and finds that Buxton was physically assaulted in reprisal for his action in appealing to the international and that the local must be held responsible under the act for the action of Kennison and Powell.

The summary is concluded and found:

That the union caused the company to discharge and that the company did discharge employee Buxton discriminately for the reasons other than his failure to pay dues and initiation fees.

Mr. Floyd Webb was runing the local during that period of time?

Mr. GIBBONS. That is right.

Mr. KENNEDY. Do you approve of this kind of activity on the part of a local official?

Mr. GIBBONS. If this be true, as you point out, Mr. Kennedy, and I don't think you are quoting the best authority, I would not necessarily approve it.

Mr. KENNEDY. Wait until I tell you what I am quoting. The United States of America, before the National Labor Relations Board, decision and order.

Mr. GIBBONS. That is right. Now you want to discuss the makeup of the Board?

Mr. KENNEDY. No; that is the National Labor Relations Board, I am talking about——

Mr. GIBBONS. Do you want to discuss some of the personnel that are on there and my own experiences?

Mr. KENNEDY. I am talking about the fact that the union paid out the \$4,000 for the wrongful firing, some \$4,000 for the beating, and that after this finding, you came in and spoke in favor of Mr. Floyd Webb.

Mr. GIBBONS. I am also quite aware of the fact that many and many a lawsuit is settled without any relationship to the justice on either side of the case, but only to avoid litigation.

Mr. KENNEDY. Did you inquire into it?

Mr. GIBBONS. At this particular time I doubt it because it was being competently handled by the staff guys.

Mr. KENNEDY. If you did not inquire into it, how did you know Floyd Webb was responsible for it?

Mr. GIBBONS. I did not know he was responsible for it.

Mr. KENNEDY. Did you speak for him, in favor of him?

Mr. GIBBONS. Yes. I will tell you why. You happened to pick out a short period of Floyd Webb, No. 1. No. 2, he was there for 22 years, in a difficult area. He built a union of 2,500 people, a complement which has to be very high in this particular case. Secondly, you heard the chief opposition of Mr. Webb here. He was your witness, you brought him up here, and he says the union did right in keeping Mr. Webb on the job, because Mr. Webb is a competent person.

Mr. KENNEDY. I am not asking you that, Mr. Gibbons. I am asking you, in view of this record, why you then came in and spoke of Mr. Floyd Webb, just as I asked you why, in view of Mr. Barrett's record, he was placed in a position of authority in the other local, and in view of Mr. Wainwright's record, why he was placed in his position

of authority. I am now asking you, in view of Mr. Floyd Webb's background, why you came and spoke in favor of him.

Mr. GIBBONS. Mr. Kennedy, I spoke in favor of Mr. Webb because in my work, and I am sure it applies to anyone else carrying any responsibilities, one has constantly to evaluate and judge and test all acts of individuals against a broader background. Everyone is entitled to make mistakes. There are things you do that you don't necessarily approve of. There are things that they do which if I was personally doing, I would do it differently. But on the overall factors of Mr. Webb, I made the speech then and would be happy to repeat it today, that he is a very competent trade unionist; he has done a very fine job in a very difficult situation.

If this were true, and it is very questionable if this happened, then I would want to determine much more closely whether or not it was true before I would bluntly believe it.

Mr. KENNEDY. Did you ever inquire into it, Mr. Gibbons?

Mr. GIBBONS. No; I told you the situation was being adequately handled by staff people, and my reports were that this thing was in good shape, and that Mr. Webb was not responsible, or at least he was doing a good job, specifically not responsible for that job, but he was doing a very good job, and he should be kept in there.

The best testimony comes from his strongest opponent.

Mr. KENNEDY. In the Central Conference of Teamsters, where there have been acts, criminal acts, on the part of some union officials, have you suggested that there be action taken to remove them, in your position as secretary-treasurer of the Central Conference of Teamsters? For instance, Mr. Jorgensen, who was up in Minneapolis, who was found guilty and appealed to the Supreme Court on taking money from an employer. Have you suggested that any action be taken to remove him?

Mr. GIBBONS. I am one of those people who are currently actively reviewing the situation in Minneapolis.

Mr. KENNEDY. This happened some 2 years ago, and the appeal finally came to the Supreme Court. Had you taken any action before this, Mr. Gibbons?

Mr. GIBBONS. Actually, the people who have to do with taking action is the national organization. I have functioned at this level only some 8 months, along with President Hoffa. In those 8 months, Mr. Kennedy, you will appreciate the fact that Mr. Hoffa was tied up in New York for many months in the trials.

Mr. KENNEDY. I am talking about this in the Central Conference of Teamsters.

Mr. GIBBONS. In the Central Conference of Teamsters, it isn't our prerogative, necessarily, it isn't our responsibility, necessarily, to take action in those situations. It actually is a matter for the national office. We have been consulted on it.

Mr. KENNEDY. What about Mr. Syd Brennan, who is in the same situation?

Mr. GIBBONS. The same thing applies to Mr. Brennan.

Mr. KENNEDY. Did you ever suggest any action against him?

Mr. GIBBONS. Well, he is not a vice president now, but I did not take any action against him.

Mr. KENNEDY. Do you approve of Mr. Hoffa taking in some of these individuals out of the penitentiary and placing them in positions of power and authority?

Mr. GIBBONS. I don't know the instances you are citing.

Mr. KENNEDY. Mr. Herman Kierdorf, for instance?

Mr. GIBBONS. I imagine if Mr. Hoffa did this, he exercised thorough-going investigation and good judgment.

Mr. KENNEDY. Do you approve of that?

Mr. GIBBONS. Just as you approve, Mr. Kennedy, that a record, a criminal record, is not a bar to employment on this committee, I adhere to exactly the same philosophy when it comes to my union.

Mr. KENNEDY. Do you approve of Mr. Hoffa hiring Mr. Herman Kierdorf?

Mr. GIBBONS. I don't know Mr. Kierdorf. I would be very happy if I could—it is impossible to do now, because he is no longer with the organization. If I had an opportunity to check on his work, how he conducted himself since he came out of prison, I might very well applaud Mr. Hoffa for putting him on.

The fact that he came out of prison I don't think has much to do with it.

Mr. KENNEDY. Did you approve of Mr. Frank Kierdorf coming out of the penitentiary for robbery and being given a position of authority over Teamster members?

Mr. GIBBONS. Again, Mr. Kennedy, it is wrong for you to sit here and ask if I approve of these acts. I have never met Mr. Frank Kierdorf.

Mr. KENNEDY. Just as a general proposition.

Mr. GIBBONS. You cannot generalize. As you said when you brought up these matters, you have to take up the individual factors, you have to examine the facts involved.

The CHAIRMAN. Let the Chair interject here. We are considering, and the Senate even passed a bill at the last session, which was not passed by the House, enacting laws to prohibit people who are fresh out of the penitentiary from holding such jobs. Do you approve of that?

Mr. GIBBONS. Well, I would not approve of it, Senator, on the same basis that I think each of those cases should be examined. But let me go on record so it is not a question of somebody hemming, hawing, or dodging, because I am not interested in doing that as I testify here today.

If anyone wants to know——

The CHAIRMAN. I just want you to say yes you approve of such legislation or you don't.

Mr. GIBBONS. On this particular type of legislation, I would be opposed to it, Senator; but let me assure you, and I say it for very good reasons, which I think I have elaborated on, namely to the effect that you have to examine each of those cases, otherwise you are going to render some severe injustices to the individuals involved and you are going to endanger society itself.

The CHAIRMAN. Bear in mind, now, we are not talking about keeping a man from working. But we are talking about putting him in an official position of authority, and where he becomes, in a sense, a trustee, a steward, with responsibility over the men and women that work.

Mr. GIBBONS. Any job that is available to men in the trade union movement is of that nature. Every week, literally, I go to employers, and I ask them, pursuant to the request of a Government official, pursuant to the request of a priest, or a minister, or a rabbi to put them on jobs. It is a little bit silly for me to advocate it in one instance and not in the other. I will say bluntly to you and plainly to you that I don't want any functioning, active, practicing criminals anywhere close to the labor movements, because I think we have responsibility.

The CHAIRMAN. You have quite a job ahead of you, then, if you want to get them out.

Mr. GIBBONS. Well, now, look at the record, Senator. Mr. Hoffa has been in office but 8 months. There were 68 names that I have checked personally, not checked personally but had checked, that were mentioned here as supposedly criminals in the Teamsters. Forty of those are not connected with the Teamsters today. Twelve of them I don't know how you got their names, because they never had a card in the union from the beginning.

Mr. KENNEDY. Where did you get the list?

Mr. GIBBONS. I will supply you with a copy of it.

Mr. KENNEDY. Don't be making a statement about a list.

If you have a list of 68, let's have the list.

Mr. GIBBONS. You do it all the time, Mr. Kennedy. I don't happen to have that list with me. I did not intend to testify on this today.

Mr. KENNEDY. I don't believe there is a list of 68 that are not connected with Teamsters.

Mr. GIBBONS. Twelve of yours, I said. Twelve that you mentioned are not connected with the Teamsters.

Mr. KENNEDY. That we said were not connected with the Teamsters?

Mr. GIBBONS. Well, you tied them in with the Teamsters. As an instance, Johnnie Dio, everyone thinks he was a teamster. I am saying to you that there were 12 names that you identified with the Teamsters. I will withdraw the statements, if it will make you happy.

The CHAIRMAN. Don't withdraw it. Submit the list.

Mr. GIBBONS. I will do that. I will say that 40 of the 68 are gone. Of the remaining 28, 15, I think, are on charges at the present time. I think we are doing a pretty good job, Senator, in terms of trying to clean house, along with the many, many other pressing problems that we have had, including court appearances, preparing for court appearances, and trying to make ourselves available for the McClellan committee. This we have done without benefit of records, because you have taken thousands, tons of our records, almost, it would seem. I personally supplied, I think, 50 transfer cases to this committee.

Mr. KENNEDY. I can name a dozen teamster officials right now, Mr. Gibbons, with criminal records and who appeared before this committee and took the fifth amendment without looking—

Mr. GIBBONS. You have not said anything about a person—

Mr. KENNEDY. I will name a dozen for you.

Mr. GIBBONS. You have only said about a person who has a criminal record and who has every right to live and to work in this movement. You have said something else about that individual, that he has exercised the Democratic right of the Constitution. These things are not derogatory in my book.

Mr. KENNEDY. If you are trying to find more than a dozen members of your union who have criminal records, I will give them to you.

Mr. GIBBON. I didn't say anything about criminal records. I am talking about the people you mentioned.

Mr. KENNEDY. You say there are only a dozen left in the Teamsters Union?

Mr. GIBBONS. I did not say that. If you want to listen to my testimony. I will be very happy to repeat it, Mr. Kennedy.

The CHAIRMAN. Let's proceed. You supply the list.

Mr. GIBBONS. Yes, sir.

Senator MUNDT. Mr. Chairman?

The CHAIRMAN. Senator Mundt.

Senator MUNDT. Back to this legislation. The Senate enacted legislation which provided that in the handling of pension and welfare funds, no official——

Mr. KENNEDY. Can we have the list?

Mr. GIBBONS. We have no list have here. I have no list here.

Mr. KENNEDY. Excuse me, Senator.

Senator MUNDT. I would like to at least conclude my question before being interrupted.

The CHAIRMAN. Very well. Proceed.

Mr. GIBBONS. I will have the list over here this afternoon, Mr. Kennedy, if I possibly can, if I am off the stand.

The CHAIRMAN. When the list appears, when it is filed it will be made exhibit No. 163.

(The document referred to will be marked "Exhibit No. 163" for reference and may be found in the files of the select committee.)

Senator MUNDT. Mr. Gibbons, the Senate passed legislation, which I happened to be the author of an amendment to, that concerning the pension and welfare fund, it is provided that in the handling of those welfare funds no member of the union should be permitted to have a position of responsibility in the handling of these funds whose criminal record was such that he was denied by the laws of his State the right to vote. I would like to know whether you favor or disapprove of legislation of that kind, because it would indicate your attitude toward the courts and toward the laws of our Republic.

Mr. GIBBONS. I would tend to agree with you. But I would again only have the reservation, I would like to look at some of these so-called criminal offenses, the date that they took place, Senator, and things like that.

Senator MUNDT. We did not say that a man who had been in jail could not hold an office. We said a man whose crime had been so felonious and reprehensible that in the State in which he lived he was denied the right to vote by the laws of that State, we certainly did not think he should have charge of pension and welfare funds.

Before we leave that, would you agree with the wisdom of that kind of legislation?

Mr. GIBBONS. Let me first comment on that provision. The test is whether or not he has gotten back his voting rights; correct?

Senator MUNDT. That is correct.

Mr. GIBBONS. In most States, Senator, the return of your citizen rights or your civil right, is what they are, the right to vote and serve on a jury et cetera, is automatic. Here you are saying to me that a

man at a certain given day, week, or month, is ineligible to serve on that, but by the automatic passage of, say, 2 years' time, 1 year's time, 6 months' time, this man gets his right back and he is a changed person.

I would be a little more strict than that. This is difficult legislation.

Senator MUNDT. Just a minute. Please don't interrupt me every time I start to talk.

I would like to be more strict. But we also wanted to be fair. We wanted to recognize that some men had gone to jail and had served their time, had come back, maybe they had been pardoned, maybe they had their civil rights restored.

But this is to give some small modicum of protection to the rank and file members whose future, old age, is dependent upon the integrity of these funds. For that we said that anybody whose crime was such that in the laws of his own State he was denied by his associates the right to vote, that certainly that man should not at that time be permitted to have charge of these funds. Would you agree or disagree about the wisdom of that legislation?

Mr. GIBBONS. Again, I would question the wisdom of it, but I would go on record, and I can speak for President Hoffa in this, that we will join you in putting on the utmost and the greatest possible protection around the operations of a welfare or a trust fund, a pension fund. We will join you in that.

Senator MUNDT. Tell me if you object to that legislation.

Mr. GIBBONS. I am only going back again to the automatic aspects of getting back your citizenship rights without necessarily having changed your habits at all.

Senator MUNDT. Would you make it so inclusive that everybody who has gone to jail should not do it?

I thought that was too far.

Mr. GIBBONS. No; I am saying I don't know whether this is the answer to it.

Senator MUNDT. It may not be a complete answer, but it is a step in the right direction. We will have to start doing something.

Mr. GIBBONS. If it can be demonstrated as a step looking toward greater and further protection for the funds, No. 1, and with the absence of tremendous injustices, and I am sure this is absent any injustices to an individual, I would be for it 100 percent.

Senator MUNDT. Thank you.

Mr. KENNEDY. Mr. Gibbons, in going back to Mr. Kierdorf, Frank Kierdorf and Herman Kierdorf, do you approve of the proposition of taking people out of the penitentiary and putting them into positions of authority with the union?

Mr. GIBBONS. Mr. Kennedy, this I say to you, again, and I am sorry I have to say it, but this is not a question that can be answered "yes" or "no". I would like to examine the basis on which President Hoffa made his decision.

I might very well agree with him. I would like to especially see how well that judgment worked out by finding out about the record of Frank Kierdorf and this other Kierdorf.

Mr. KENNEDY. You don't know about it yet?

Mr. GIBBONS. I am not in a position to say yes or no.

Mr. KENNEDY. You don't know about their records yet?

Mr. GIBBONS. Their records or police records before, I haven't bothered to inquire into it.

Mr. KENNEDY. Since they came with the union, you are not familiar with that?

Mr. GIBBONS. The record of their performance, you are talking about?

Mr. KENNEDY. Yes.

Mr. GIBBONS. I am not particularly familiar with it, but if he stayed on Hoffa's staff, I want you to know he worked harder than any other guy in the labor movement and he did a pretty good job, because I have worked with Hoffa and I know what he does to people and you don't slouch around if you are working for Jimmy.

Mr. KENNEDY. We have seen that, and of course we had testimony on Herman Kierdorf mixed up with Shefferman, Frank Kierdorf the same thing. They appeared before the committee and took the fifth amendment. What I am trying to find out from you—

Mr. GIBBONS. George Meany has probably some things from Shefferman, some things bought for him, and a lot of people that do this.

Mr. KENNEDY. You can't throw names in there.

Mr. GIBBONS. I am sorry and I apologize for having done it but I am demonstrating the fact that up and down the American labor movement—

Mr. KENNEDY. That is not the question here.

Mr. GIBBONS. Shefferman bought things for people.

Mr. KENNEDY. Do you disapprove of taking a man out of the penitentiary and putting him in a position of authority, or did you disapprove of that?

Mr. GIBBONS. To complete the record, I have no knowledge that President Meany had any dealings with him in terms of buying, but I am just saying that up and down, general presidents included, they were all involved in buying things wholesale.

Mr. KENNEDY. Now the question.

Mr. GIBBONS. I will not tell you that I disapprove of a person coming out of the penitentiary and finding work in the labor movement.

Mr. KENNEDY. I am not asking that. I am asking you, do you disapprove of a man coming out of the penitentiary and being placed in a position of authority in your union, in the Teamsters Union?

Mr. GIBBONS. Well, now, in the first place, I question how much authority Kierdorf had in Jimmy's setup.

Mr. KENNEDY. Let us say as a business agent.

Mr. GIBBONS. That gives you very little authority.

Mr. KENNEDY. Just answer the question, do you disapprove of a man being taken out of the penitentiary and coming out of the penitentiary and immediately being placed in a position of authority even to the extent of business agent?

Mr. GIBBONS. At the risk, Mr. Kennedy, of appearing to be difficult in this situation, I again have to say to you that I am not going to pass judgment on individual people.

Mr. KENNEDY. I am not asking you to do that. I am not asking as an individual. Now let us not take Herman Kierdorf. Are you ready to state that you disapprove of a man coming out of the penitentiary and immediately being placed in a position of authority with the union?

Mr. GIBBONS. I say to you, it is a matter of individual examination. Someone may have gone to prison for failure to pay his

alimony, and I can assure you if he was a good solid citizen when he came in and he had background experience and devotion to the labor movement, I would be the first one to suggest that he be put in a position of responsibility.

Now, it is not what you are talking about, and I appreciate that, but it demonstrates the difficulties of answering your kind of a formulation.

Mr. KENNEDY. So you are not prepared to answer it?

Mr. GIBBONS. No, I certainly am not. You have my answer.

Mr. KENNEDY. Mr. Gibbons, do you approve of Mr. Hoffa's relationship with some of the hoodlums and gangsters in Detroit?

Mr. GIBBONS. I would question the relevancy of this kind of a question.

Mr. KENNEDY. I think it is very relevant.

Mr. GIBBONS. As far as the legislative inquiry is concerned.

Mr. KENNEDY. I think it is very relevant. Do you approve?

Mr. GIBBONS. I would ask the Chair to please rule on it.

The CHAIRMAN. You don't want to comment on it?

Mr. GIBBONS. It isn't a question even of not wanting to comment on it, Mr. Chairman. I would like to have the question withdrawn, because it is not pertinent, but it isn't a reluctance on my part. I will be very happy to discuss it but I don't think it is pertinent to this inquiry.

The CHAIRMAN. I am going to leave it to you. If you don't want to comment on it, I will leave it to you.

Proceed.

Mr. KENNEDY. That is the way I feel.

Mr. GIBBONS. So the record is complete, it is such a generalized question it would be difficult for me.

The CHAIRMAN. All right.

Mr. KENNEDY. When you were here the last time, Mr. Gibbons, you testified regarding giving of guns or allowing some of your business agents to carry guns.

Mr. GIBBONS. Yes, sir.

Mr. KENNEDY. Do you remember that?

Mr. GIBBONS. Yes, sir.

Mr. KENNEDY. At that time you made a statement that—

I did not want it to be a deep dark secret, however. I called in the editor of the Post-Dispatch and Fitzpatrick, the cartoonist, and we had lunch. I talked about the thing and gave it to them as background news. I also called in a member of the St. Louis police board and told them the problem we were facing in fighting gangsters and some of the people would be armed.

Question. Who was that?

Mr. GIBBONS. A guy named Willy Dilliard.

Was that testimony correct?

Mr. GIBBONS. I have since learned, Mr. Kennedy, that there has been some ducking and dodging on the part of those individuals.

Mr. KENNEDY. We have sworn affidavits, Mr. Gibbons, on that.

Mr. GIBBONS. I gave it to you on the best of my recollection, and I don't want to walk away from that testimony, and some people were there at the time.

Mr. KENNEDY. You say the editor of the Post-Dispatch is ducking and dodging, Mr. Irving Dilliard?

Mr. GIBBONS. I don't know whether I would say Irving Dilliard is ducking and dodging.

Mr. KENNEDY. And Mr. Fitzpatrick of the Post-Dispatch?

Mr. GIBBONS. If there is any question in his mind of being there, I will withdraw the testimony, or I will simply say that I had apparently made an error or some such thing.

Mr. KENNEDY. First you said they were ducking and dodging and now what do you say? You made an error?

Mr. GIBBONS. I said some people, and I didn't say that these people were.

Mr. KENNEDY. Who was ducking and dodging?

Mr. GIBBONS. Well, this is what I heard, that there is some question in some people's minds about being identified in the thing.

Mr. KENNEDY. You stated the editor of the Post-Dispatch, and we have an affidavit from him to the contrary.

Mr. GIBBONS. Let me say this, Mr. Kennedy, on this testimony that I gave previously, this is to the best of my recollection, and my recollection in this instance, I don't believe, is bad.

Now, some people may want to question whether they were there on purpose. That is their business and I don't believe they are lying, but I want to assure you that my recollection is pretty good in this case, and I am giving you this best story to the very best of my recollection.

Mr. KENNEDY. Then you talked also about a Captain Daugherty—and he assured me we did not have to carry guns. All we had to do was pick up the phone and call. I told Captain Daugherty if he had been doing his job for 20 years we would not be faced with this problem, and we could not depend on the police to take care of the situation.

He also denies this statement by you. Mr. Willer, Mr. Irving Dilliard, and Mr. Fitzpatrick deny it although we don't have an affidavit from Mr. Fitzpatrick and Mr. Daugherty.

Mr. GIBBONS. I would like to see the affidavits of the people who deny it. We will find out whether they actually deny it.

The CHAIRMAN. The affidavit of Mr. Irving Dilliard—

Mr. GIBBONS. I just wanted the record to show, I don't want to make any statement on their credibility.

I will withdraw any statement to that effect.

The CHAIRMAN. This is Mr. Dilliard, and this statement from Mr. Daugherty. That statement is not sworn to.

Mr. KENNEDY. It is a report.

The CHAIRMAN. Is it attached here as a part of these affidavits?

Mr. KENNEDY. We will have to get it sworn, too.

The CHAIRMAN. When sworn to we will take it. Mr. Herman Willer, together with the exhibits they attach, have the news articles which grew out of the conference may be made exhibit No. 164 for reference and the witness, Mr. Gibbons, will be permitted to inspect it.

(Documents referred to were marked "Exhibit No. 164" for reference and may be found in the files of the select committee.)

The CHAIRMAN. Thank you, Mr. Gibbons.

Call the next witness.

We have one more witness and we are going to conclude with that, and after we conclude with him, I think we will take a recess.

We will take a short recess at this time.

(A brief recess was taken.)

The CHAIRMAN. The committee will be in order.

(At this point, the following members were present: Senators McClellan and Mundt.)

The CHAIRMAN. The committee will come to order.

Call the next witness.

Mr. PREVIAUT. Mr. Chairman, I wonder if before the next witness is called I might read two excerpts from this affidavit into the record as a matter of fairness to Mr. Gibbons?

The CHAIRMAN. The Chair will read them, if you will tell me which they are.

Mr. PREVIAUT. The second to the last paragraph of Mr. Dilliard's affidavit and the last sentence of Mr. Willard's statement.

The CHAIRMAN. The last sentence of Mr. Willard's affidavit states [reading]:

I was a member of the St. Louis Police Board from January 29, 1953, to February 1, 1957. During that time I do not recall Mr. Harold Gibbons' ever contacting me or notifying me that his associates would be carrying guns to protect themselves.

Which was the other?

Mr. PREVIAUT. The second to the last paragraph. I believe, of Mr. Dilliard's affidavit.

The CHAIRMAN [reading]:

If anything had ever been said by Mr. Gibbons about carrying guns on any occasion in my presence I would have relayed it to the city editor's desk as news.

On this point I say positively that to the very best of my recollection, no reference to carrying guns was ever made by Mr. Gibbons for me to hear on any occasion.

Mr. PREVIAUT. We just wanted to emphasize that there was no flat denial.

The CHAIRMAN. All right.

Mr. PREVIAUT. Thank you.

The CHAIRMAN. Who is the next witness?

Mr. KENNEDY. Thank you for reading them in.

The CHAIRMAN. Ordinarily, I would have read it in, but we are trying to move along.

Mr. KENNEDY. Mr. Nate Stein.

The CHAIRMAN. You do solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. STEIN. I do.

TESTIMONY OF NATE STEIN

The CHAIRMAN. State your name, your place of residence, and your business or occupation, please, sir.

Mr. STEIN. Nate Stein, 9346 Olympic Boulevard, Beverly Hills, Calif.

The CHAIRMAN. What is your business or occupation, Mr. Stein?

Mr. STEIN. Public relations.

The CHAIRMAN. You waive counsel, do you?

Mr. STEIN. Yes, sir.

The CHAIRMAN. All right, Mr. Kennedy, proceed.

Mr. KENNEDY. How long have you been in the public-relations work, Mr. Stein?

Mr. STEIN. I decline to answer and assert the privilege not to be a witness against myself under the Constitution.

Mr. KENNEDY. Have you done some work for the Teamsters, Mr. Stein?

Mr. STEIN. I decline to answer and assert the privilege not to be a witness against myself.

Mr. KENNEDY. Mr. Chairman, I would like to have him examine that check.

The CHAIRMAN. I hand you a photostatic copy of a check made payable to Nate Stein, dated March 23, 1955, in the amount of \$1,500, from Truck Drivers' Local Union, No. 299. The check is signed by Frank Collins. I ask you to examine it and state if you identify it, please.

(The document was handed to the witness.)

The CHAIRMAN. Do you recognize the check?

Mr. STEIN. I honestly believe—

The CHAIRMAN. Have you examined the check?

Mr. STEIN. Yes, sir.

The CHAIRMAN. Do you recognize it?

Mr. STEIN. I honestly believe if I answer I will be forced to be a witness against myself.

The CHAIRMAN. In other words, you think you cannot testify about the check without incriminating yourself; is that what you are saying?

Mr. STEIN. I honestly believe that if I answer this question, I will be forced to be a witness against myself.

The CHAIRMAN. The question is: Do you honestly believe it will incriminate you?

Mr. STEIN. I honestly believe that if I answer this question I will be forced to be a witness against myself.

The CHAIRMAN. Do you consider that ill-gotten gain?

Mr. STEIN. I honestly believe that if I answer I would be forced to be a witness against myself.

The CHAIRMAN. Have you anything else, Mr. Kennedy?

Mr. KENNEDY. Yes, Mr. Chairman.

That is a check for \$1,500.

The CHAIRMAN. That check may be made exhibit 165.

(The document referred to was marked "Exhibit No. 165" for reference and will be found in the appendix on p. 15317.)

Mr. KENNEDY. This is a check for \$1,500 from local 299 in Detroit to Mr. Nate Stein on March 23, 1955.

The check is signed by Mr. Frank Collins of local 299, and countersigned by James R. Hoffa.

Can you tell us what local 299, Mr. Hoffa and Mr. Collins, were paying you this money for?

Mr. STEIN. I honestly believe that if I answer I will be forced to be a witness against myself.

The CHAIRMAN. Do you operate under the name of Nate Stein Enterprises?

Mr. STEIN. I honestly believe if I answer I will be forced to be a witness against myself.

The CHAIRMAN. Are you a lawyer?

Mr. STEIN. I honestly believe that if I answer this question I will be forced to be a witness against myself.

The CHAIRMAN. You carry your advertisements, your invoice statements, you say "Nate Stein Enterprises, Public Relations Counselor." What kind of a counselor are you?

Mr. STEIN. I honestly believe that if I answer this question I will be forced to be a witness against myself.

Senator MUNDT. Mr. Gibbons indicated, Mr. Stein, that he was very curious about \$3,000 that you got hold of of the Teamsters' money, and he wanted to interrogate you pretty carefully and perhaps instigate a lawsuit against you or Mr. Feldman for the misuse of this \$3,000; that he recognized your right to take the fifth amendment before this committee but he was going to insist upon honest answers and complete disclosures when he talks to you, and he is going to report back to us what he finds out. My question to you is: Are you going to take the fifth amendment when Mr. Gibbons asks you?

Mr. STEIN. I honestly believe that if I answer I will be forced to be a witness against myself.

Senator MUNDT. Can't you tell me whether you are going to talk to Mr. Gibbons or not?

Let me ask you this. I know you are going to talk to him, because he thinks you have \$3,000 of his money that you are not entitled to. He wants it back. He thinks it financed your trip to Israel. He wants it back. He thinks you got \$5,000 in cash. He wants it back. When you do talk to Mr. Gibbons, are you going to tell him the truth or are you going to lie to him?

Mr. STEIN. I honestly believe that if I am forced to answer, I will be forced to be a witness against myself.

Senator MUNDT. You ought to think that over pretty carefully, Mr. Stein. When he asks you questions, are you going to tell him the truth, or are you going to lie to him?

Mr. STEIN. The same thing, I honestly believe that if I answer, I will be forced to be a witness against myself.

Senator MUNDT. If Mr. Gibbons is still in the room, I call his attention to the fact that this is the difficulty I related a little while ago. I see his attorney is still in the room. This is one reason it seems to me that Teamster officials and other union officials should begin getting rid of fifth amendment people handling the funds of the union workers. They have not any way to force the witnesses to tell the truth when they talk to them privately. Here we have a witness unwilling even to state under oath that when Gibbons asks him questions he is going to answer them honestly.

He knows, of course, he can lie to Mr. Gibbons, with no penalty, no perjury. This points out the vicious feature of union leaders insisting to continue to employ people taking the fifth amendment for concealment.

I have no other questions.

The CHAIRMAN. The Chair presents to you three checks and a check stub. The three checks and the stub have been made exhibits 162 A, B, C, and D. The first check, the one on top, is to El Al Israel Airlines, Ltd., in the amount of \$484.90, dated August 15, 1955. It is from Samuel Feldman. The next one is for \$1,615.10, dated the same date, from the same person, to Nate Stein. The next one is dated

August 17, 1955, in the amount of \$500, from the same person, made payable to cash. The stub of that check shows that it was for \$500 cash, one Nate Stein. I ask you to examine the exhibits and state if you recognize the checks.

(The documents were handed to the witness.)

The CHAIRMAN. Do you recognize the checks?

Mr. STEIN. I honestly believe that if I answer I will be forced to be a witness against myself.

The CHAIRMAN. Did they buy your railroad ticket up there when you were staying with Mr. Gibbons that night?

Mr. STEIN. I honestly believe if I answer I will be forced to be a witness against myself.

The CHAIRMAN. Did you stay with Mr. Gibbons in the same room or the same suite at a hotel in New York at that time, on that date?

Mr. STEIN. I honestly believe if I answered I will be forced to be a witness against myself.

The CHAIRMAN. Did you leave for Israel a few days later?

Mr. STEIN. I honestly believe if I answer I will be forced to be a witness against myself.

The CHAIRMAN. What did you do to earn this \$3,000? These checks add up to \$3,000. What kind of work did you do to earn that money?

Mr. STEIN. I honestly believe if I answer I will be forced to be a witness against myself.

The CHAIRMAN. Did you pull a fast deal on Mr. Gibbons, and deceive him when you introduced him to Feldman and told him that Feldman would make him a good lawyer?

Mr. STEIN. I honestly believe if I would answer this question I would be forced to be a witness against myself.

The CHAIRMAN. Did Mr. Gibbons know what this money was going for?

Mr. STEIN. I honestly believe if I answered I will be forced to be a witness against myself.

The CHAIRMAN. That would be a witness for Mr. Gibbons, if he didn't know. You wouldn't be a witness against yourself, and you would be testifying favorably to him. Can you do that under oath?

Mr. STEIN. I honestly believe if I answer I will be forced to be a witness against myself.

The CHAIRMAN. You never did any work for that money, did you?

Mr. STEIN. I honestly believe if I answer I will be forced to be a witness against myself.

The CHAIRMAN. You are going to pay it back?

Mr. STEIN. I honestly believe if I answered this question I will be a witness against myself.

The CHAIRMAN. Mr. Gibbons says if he finds this to be a fact, he is going to get it back if he has to sue somebody. Do you know who he would sue besides you and Feldman?

Mr. STEIN. I honestly believe if I answered I will be forced to be a witness against myself.

Senator MUNDT. Mr. Gibbons said he was going to report back to this committee whether or not you repay the \$3,000, whether or not the dues-paying members of the Teamsters will have their treasury reimbursed or whether you are permitted to keep this \$3,000 of loot

which quite obviously he believes and the committee believes you were not entitled to.

Why don't you save us all a lot of time by telling us what you did with the money?

Mr. STEIN. I honestly believe if I answered I will be forced to be a witness against myself.

Senator MUNDT. Are you unwilling to say now you are going to give it back to these Teamsters whose dues you have robbed that way?

Mr. STEIN. I honestly believe if I answered I will be forced to be a witness against myself.

Mr. KENNEDY. Are you also covering up for Mr. Gibbons in this matter?

Mr. STEIN. I honestly believe if I answered I will be forced to be a witness against myself.

Mr. KENNEDY. Mr. Stein, can you explain, you were at the hotel room, staying with Mr. Gibbons in New York on that very day that the check was brought over to the Feldmans, and can you explain how Mr. Gibbons couldn't know about this situation?

Mr. STEIN. I honestly believe if I answered I will be forced to be a witness against myself.

Senator MUNDT. Do you know Mr. Gibbons?

Mr. STEIN. I honestly believe if I answered I will be forced to be a witness against myself.

Senator MUNDT. He isn't as bad as that. He was before us and he testified, and he didn't take the fifth amendment and he has been elected to a high position in the Teamsters and he can't be that kind of a fellow, that your recognition of knowing him would be incriminating against you and destroy your high reputation. Think that one over pretty carefully before you read the Western Union telegram to us.

Do you really think admitting knowing Mr. Gibbons would incriminate you?

Mr. STEIN. I honestly believe if I answered I will be forced to be a witness against myself.

Senator MUNDT. You are not a very good character witness for him. You got \$3,000 of his money and you are his old roommate and you go up and stay at the hotel together, and it is all in the record. Do you think if you told this congressional committee that you know Harold Gibbons this would incriminate you and tend to degrade you and tend to tear down your fine reputation—a man who has been here and testified and didn't duck and didn't dodge, and didn't take the fifth amendment?

Let me ask you that question again. Do you know Harold Gibbons of the Teamsters?

Mr. STEIN. I honestly believe that if I answered I will be forced to be a witness against myself.

Senator MUNDT. O.K.

The CHAIRMAN. The Chair hands you four photostatic copies of checks, and the first one is dated October 10, 1955, in the amount of \$500, and the next is November 4, 1955, in the amount of \$406.21, and the next is November 23, 1955, in the amount of \$500, and the next in the amount of \$616.19, dated December 12, 1955.

On the face of them, they show, the first one is made payable to you and the next one is made payable to Hotel Bellereede, and the next is

made payable to Nate Stein, and the next payable to Hotel Bellereede. The two made to the hotel state on the stub, "Room for Nate Stein, public relations."

Each of the checks made to the hotel say that, and the others are made payable to you.

Will you examine these four photostatic copies of checks and state if you identify them.

(The documents were handed to the witness.)

The CHAIRMAN. Have you examined the checks?

Mr. STEIN. Yes, sir.

The CHAIRMAN. They may be made exhibit 166, A, B, C, and D.

(Documents referred to were marked "Exhibit No. 166, A, B, C, and D," for reference and will be found in the appendix on pp. 15318-15321.)

The CHAIRMAN. Do you identify the checks?

Mr. STEIN. I refuse to answer on the ground I might be forced to be a witness against myself.

The CHAIRMAN. This together with the other \$3,000 you got, runs to a total of \$5,022.40 you got from September to December out of the union. Do you want to make any explanation of it?

Mr. STEIN. I refuse to answer on the ground that—

The CHAIRMAN. Do you want to tell the dues-paying members you actually did some work for it?

Mr. STEIN. I refuse to answer on the ground I don't want to be a witness against myself.

The CHAIRMAN. Did you enter into a conspiracy to defraud the union, these working people?

Mr. STEIN. I honestly believe if I answered I will be forced to be a witness against myself.

The CHAIRMAN. Are there any further questions?

Mr. KENNEDY. I might summarize. He received from local 299, the Hoffa local, the \$1,500. Then the \$3,000 was put in, which went to Sam Feldman for legal fees, and then joint council 41 in Kansas City paid \$500, on October 10, 1955, and then November 4, 1955, \$406.21 to the hotel there, and then again paid by joint council 41, and then joint council 41 paid the \$500 to Nate Stein on November 23, 1955, and then December 12, 1955, \$616.19 to the Hotel Belle-reede.

Then on April 23, 1956, \$1,295 from local 299 to Nate Stein.

Then Nate Stein on May 7, 1956, a bill paid by local 299, Mr. Hoffa's local, for \$451.48. Then 6-21, local 299 paid \$156.

Then 11-5, \$90.98 from local 299, and then November 6, \$2,476.63.

That is all for Nate Stein from local 299, making a total of just over \$11,000.

That is a little over \$11,000. Can you tell us what you did for the union for all of that money?

Mr. STEIN. I honestly believe if I answer I will be forced to be a witness against myself.

The CHAIRMAN. Are there any further questions?

Senator MUNDT. I would like to say, Mr. Stein, that since Harold Gibbons under oath proudly proclaims his friendship for you, and his acquaintanceship with you, and since you deny knowing him for fear that it will incriminate you, and since you have taken this money from the dues-paying members of the Teamsters, and Gibbons

has said they are going to get it back and put it in the treasury, I am afraid you are apt to wind up as name No. 69 in Jimmy Hoffa's list of most unwanted men.

Mr. STEIN. I honestly believe if I answered this question, I will be forced to be a witness against myself.

The CHAIRMAN. Is there anything further?

All right, stand aside.

The Chair is going to make a brief announcement, and then a brief summary, and a statement of observation.

Because of the death of a member of his family Senator Ives couldn't be here today, and can't be here tomorrow, and Senator Mundt must return to South Dakota this afternoon. That means we could not have a quorum here tomorrow, so we have continued on working here today to try to find one aspect at least of these hearings.

For that reason, and in addition to that reason, both the Chair and the staff are pretty tired. For those reasons, when we recess today, we will go over until 2 o'clock Monday afternoon.

There is a statement here about the doctor, and you may make a brief memorandum there and place it in the record with that file.

Mr. KENNEDY. He was 31 in 1956, graduated from the Philadelphia, Pa., College of Osteopathy, as a doctor of osteopathy in 1951. He comes from Massachusetts, Mr. Chairman, and he has been living in North Miami Beach.

Senator MUNDT. I just want to add so we don't all get in a lot of difficulty with the American Professional Society of Osteopathy that I don't think that this committee is choosing up sides in the controversy which exists between the American Medical Society and the osteopaths.

Consequently we don't want any implication to go out because this particular doctor is a doctor of osteopathy, it either adds or detracts from whatever service he may have rendered the Teamsters.

The CHAIRMAN. The Chair makes this closing statement:

In addition to exploring the activities of Mr. James R. Hoffa during the past few weeks, the committee has also been looking into the practices of his chief lieutenant, Mr. Harold J. Gibbons.

From the evidence the committee has received, it appears there is very little to differentiate between Mr. Gibbons and his mentor, Mr. Hoffa. The record before this committee clearly demonstrates that Mr. Gibbons has encouraged and condoned violence; that he has ignored the plain mandates of the International Teamsters constitution by the undemocratic processes he has followed in the joint council which he heads in St. Louis, as well as in a number of locals which have been placed in his trusteeship; that he has used the funds of the union in an arbitrary and improper manner and without the knowledge and consent of the members; that he has participated in the signing of top-down contracts; and that he has consorted and associated with gangsters and hoodlums, and used their services within the Teamsters' movement.

Mr. Gibbons would not today be the president of joint council 13 in St. Louis had the election of the president been carried out as provided in the international constitution.

The evidence clearly shows that Mr. Gibbons used Harry Karsh, a labor official of ill repute who had been going about the country or-

ganizing carnival and circus workers by coercion and intimidation. From this source was provided the extra and controlling votes needed for his election as president of joint council 13.

By way of parentheses, it may be said that the Karsh-appointed delegates from Tampa, Fla., did not even know what a joint council was—according to their own testimony—when they arrived in St. Louis to cast what proved to be the deciding votes for Mr. Gibbons in that joint council election.

It will also be noted that Mr. Gibbons' handling of the St. Louis joint council's election is in marked contrast to his actions in respect to elections in the Teamsters' locals in Springfield and Joplin, Mo. In those instances, the Teamsters' constitution was interpreted in the narrowest possible context to eliminate opposition by declaring most members ineligible to hold office, and thus to entrench in office, according to the testimony, corrupt incumbent officials.

A review and impartial evaluation of Mr. Gibbons' testimony and the remainder of the record will reveal that he has engaged in the following improper practices and policies:

(1) He used \$78,000 in union funds to buy out the officers of Teamsters Local 688. While calling this money severance pay, instead of purchase price, no such severance pay is provided for or authorized by the Teamsters' constitution.

(2) He has allowed a pattern of criminal infiltration, violence, and misuse of funds to take place in St. Louis. The testimony shows, and he did not deny, that he was present and assisted in the planning of specific acts of violence, and that he used his position and power to protect and actually to reward those individuals who engaged in such violence. The violence I refer to included the beating of taxicab drivers, tipping over of cabs, and the pushing of one cab into the Mississippi River.

(3) He evidenced complete disregard and flagrant contempt for the duly authorized law-enforcement agencies in the St. Louis area, and I might add by way of parenthesis again, that he showed about the same regard today for the National Labor Relations Board, and instructed his lieutenants and employees not to cooperate with the police when they were arrested. He either armed or permitted his top assistants and business agents to carry guns, and provided holsters for same out of union funds, without permits having been obtained for such weapons, and he took this step against the advice of the St. Louis police.

(4) He brought Robert "Barney" Baker, twice-convicted labor hoodlum and associate of some of the top mobsters in America, to St. Louis as his aide, or one of his assistants, and kept him at work in the Central Conference of Teamsters with full knowledge of Baker's criminal record and background.

(5) He used Teamsters Union funds to defend Louis Berra, a Teamsters official, charged with embezzling funds from the union. He also used and approved the use of Teamsters' Union funds to defend convicted extortionist Gerald P. Connelly, on charges that he conspired to dynamite the homes and automobiles of two Minnesota teamsters.

Many of Mr. Gibbons' answers and explanations to questions propounded to him by the committee are clearly inconsistent with other established facts.

We can only conclude from this record that, if Mr. Gibbons started out his career dedicated solely to the betterment of the lot of the workingman—as I am confident he did—somewhere along the line those ideals have disintegrated. The actions and practices to which I have referred, and his acceptance of hoodlumism and the use of known criminals and disreputable characters in the Teamsters movement, are to be gravely deplored.

The committee will stand in recess until 2 o'clock next Monday.

(Whereupon, at 1:45 p.m., the committee adjourned to reconvene at 2 p.m., Monday, September 15, 1958.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

MONDAY, SEPTEMBER 15, 1958

UNITED STATES SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D.C.

The select committee met at 2 p.m. pursuant to recess, in the caucus room, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Members of the select committee present: Senator John L. McClellan, Democrat, Arkansas; Senator Frank Church, Democrat, Idaho; Senator Irving M. Ives, Republican, New York.

Also present: Robert F. Kennedy, chief counsel; Paul Tierney, assistant counsel; John J. McGovern, assistant counsel; Carmine S. Belino, accountant; Pierre E. Salinger, investigator; Leo C. Nulty, investigator; James P. Kelly, investigator; James Mundie, investigator; John Flanagan, investigator, GAO; Alfred Vitarelli, investigator, GAO; Ruth Y. Watt, chief clerk.

The CHAIRMAN. The committee will be in order.

(Members of the select committee present: Senators McClellan, Ives, and Church.)

The CHAIRMAN. Mr. Hoffa, you have been recalled and you will remain under the same oath. Proceed, Mr. Kennedy.

TESTIMONY OF JAMES R. HOFFA, ACCOMPANIED BY COUNSEL,
EDWARD BENNETT WILLIAMS, GEORGE FITZGERALD, AND
DAVID PREVIAINT

Mr. KENNEDY. Mr. Hoffa, how long have you known Nate Stein?

Mr. HOFFA. Probably 5 years or so.

Mr. KENNEDY. He was doing some work for the Teamsters Union, was he?

Mr. HOFFA. He was doing work for myself in some instances, and in other instances he had individuals doing work, which he was sending back to me.

Mr. KENNEDY. What sort of work was he doing for you?

Mr. HOFFA. Public relations work, and work in regard to checking trucks at certain areas on the west coast, in regard to so-called piggy-back movement of equipment.

Mr. KENNEDY. You say he was checking trucks. How was he checking trucks?

Mr. HOFFA. I don't know exactly how they check their trucks. I received some reports from him concerning the checking of the trucks, and in regard to a program that he thought might fit into our operation. How it was actually performed I don't know.

Mr. KENNEDY. Do you have some of those reports?

Mr. HOFFA. No, I don't have any of them. After I read them, there was no reason to keep them.

Mr. KENNEDY. What sort of reports were they on the trucks?

Mr. HOFFA. He sent me in a memorandum of the number of trucks, and this is a while back, and I don't recall exactly but I believe that it was the number of trucks passing over certain routes in regard to the volume that could be necessarily moved from road transportation to rail, piggyback transportation. Also I had him check on some other situations in regard to the public relations angle of discussing matters with newspapers and giving me information he could pick up on the west coast.

Mr. KENNEDY. Did you ask him to make a check on these trucks?

Mr. HOFFA. Did I ask him?

Mr. KENNEDY. Yes.

Mr. HOFFA. Yes.

Mr. KENNEDY. Exactly what did you ask him to do, Mr. Hoffa?

Mr. HOFFA. Well, as you probably know, the piggyback question in the railroad industry—

Mr. KENNEDY. Would you explain that term "piggyback"?

Mr. HOFFA. In regards to hauling trailers that normally go over the highway, but travel by flatcar between two points, was being surveyed not only by ourselves but by railroads, trucklines, and everybody concerned, to see what effect it would have on our membership if piggyback became a prominent type of operation in moving freight by rail, instead of common carrier, contract or private carrier over the road.

The CHAIRMAN. Let me see if I understand what this piggyback means. You mean where they have a trailer and they just handle it like a boxcar?

Mr. HOFFA. It fits on top of a flatcar, two of them to a flatcar.

The CHAIRMAN. The purpose of it is for transfer, it saves unloading and reloading?

Mr. HOFFA. No, sir; it saves the use of a tractor pulling two trailers where necessarily it would have taken two tractors to move the same two units.

The CHAIRMAN. In other words, where they put it on a flatcar instead of a trailer?

Mr. HOFFA. Yes, sir. No, they are trailers, but those trailers are on a flatcar, and tractors are used at each end instead of over the road moving the same units.

The CHAIRMAN. In other words, you put two trailers, what we call trailers, on one flatcar and therefore it takes only one driver to move two instead of two drivers?

Mr. HOFFA. No, sir; for instance, between Los Angeles and San Francisco, which is a direct route, there are a number of tractor-trailer units hauling straight loads, primarily. So the railroads having trains running by direct route between those two points solicit business from common carriers or from shippers direct and have the trailers loaded as they normally would for road delivery.

The CHAIRMAN. On a freight flatcar?

Mr. HOFFA. Yes.

The CHAIRMAN. Now I understand. I thought it all related to trucks.

Mr. HOFFA. Only at the loading in and at the end where we deliver the merchandise. The en route tractor isn't used.

The CHAIRMAN. Now I know what you mean.

Mr. KENNEDY. What would he be doing, Mr. Hoffa? Would he be counting the trucks or what?

Mr. HOFFA. Well, I had him make an investigation as to the number of loads that he could find, whether or not they were straight loads or mixed loads and the possibility of the number of drivers that could be displaced by this type of an operation.

Mr. KENNEDY. How would he go about doing that? Would he count the trucks, or what?

Mr. HOFFA. I would assume that he would have to necessarily check the number of units that were delivered by boxcar and a number of units that normally go between the two different points of delivery and pickup. He could go to a junction point where they come into a main central highway, and very easily determine the number of units that would go through in a 24-hour period, and he could do that.

Mr. KENNEDY. As I understand it, he would be counting the boxcars and the railroad cars and also the trucks?

Mr. HOFFA. Not necessarily the boxcars, the number of units that were delivered by rail which would normally have been delivered by truck.

Mr. KENNEDY. Then he would have to count the number of trucks that were coming off the railroad.

Mr. HOFFA. Both, the number of units that travel over the highway, which could be displaced and placed onto the piggyback operation, and, in addition, the number of units that had already been taken off the highway traveling by rail.

Mr. KENNEDY. What was it in his background, particularly as a public relations man, that made him equipped to be checking information like this?

Mr. HOFFA. Well, almost anybody could check trucks, and it doesn't take too much ability to go to a designated point and count the number of units, or go to a railhead and count the number of units.

Mr. KENNEDY. Is that the type of thing that Mr. Stein was doing?

Mr. HOFFA. In addition to public relations, and I understood he had somebody working with him, primarily doing the work for him, and he was more or less laying out the groundwork.

Senator IVES. I would like to ask Mr. Hoffa about the piggyback business. All I know is the general idea of it, and I do not know much about it at all. I know they tried to save one railroad by using piggyback methods of transportation, and that was the New York, Ontario & Western, and that did not work; there was not enough business for it to make it work. So that went down.

Now, tell me this, if you will, please, Mr. Hoffa: When they reached their destinations, and these trucks are taken off from the flatcars, who does the driving then?

Mr. HOFFA. The Teamsters, city delivery drivers.

Senator IVES. You have to have two sets of drivers, one to get them on, and one to get them off?

Mr. HOFFA. That is right; and we normally have the same drivers, even if you had a highway tractor delivering those loads over the road to the destination point, the road driver would not make the city deliveries but a city man would make the deliveries, and so actually the only driver being displaced is the road driver.

Senator IVES. Thank you very much. I was just curious about who took care of those trucks at both ends of the ride.

Mr. HOFFA. They are our members.

Senator IVES. You think there is some advantage, do you not, in this piggyback business?

Mr. HOFFA. We have entered into an agreement, I think 5 years ago, with the rail units saying that overflow freight or loads normally traveled by what we call gypsies or one-way haulers, that the truck-lines could place it on flatcars instead of using trucks.

Senator IVES. Well, then, that takes care of it to that extent, does it not?

Mr. HOFFA. Yes. But where they start first instituting this type of service, we have to determine whether or not we will be affected by private carriers because recently the ICC authorized a new type of operation where they used 40-foot trailers on 80-foot flatcars delivering two loads, and running east-west on a transcontinental basis, which is affecting our drivers tremendously.

Senator IVES. I think you realize, of course, what some of us do, that have lived in areas of the country where it has occurred, that one of the things that has caused the railroads trouble is the competition with the trucking business. It isn't so much the bus business as it is the trucking business, and this does help the railroads to the extent that it offsets some of it; is that not true?

Mr. HOFFA. To a degree, but primarily we find that the freight ultimately stays on piggyback is freight that comes out of car-loading companies, out of the railroads on platforms. Common carriers are not likely, unless they are out of their mind—and not too many of them are—to release their regular flow of freight to railroads but merely use them as a substitute for what we call, as I said before, gypsy operators.

Senator IVES. Well, I won't take too much time at this stage of the inquiry in asking questions about this matter. I may bring it up later. Perhaps you will recall, do you not, that a year ago you went to some extent into this question of consolidating the activities of the transportation agencies in the country, that is, the various and sundry means of transportation in the country from the standpoint of the workers?

I think you remember our dissertation on it. I think you carried out a lot of that idea since, as I recall, and I will say this for you: In what you have done since that time you have carried out substantially what you said you had in mind doing.

Mr. HOFFA. It isn't completed as far as we would like to get it.

Senator IVES. I know it isn't yet, but you more or less kept your word on the thing, and you have not succeeded so far. Do you remember our dissertation?

Mr. HOFFA. I remember.

Senator IVES. I may read some of it later.

The CHAIRMAN. All right.

Mr. KENNEDY. Who did Mr. Stein use in connection with this?

Mr. HOFFA. I don't recall the fellow's name.

Mr. KENNEDY. There was just one man?

Mr. HOFFA. As far as I know, I think we made checks out to one man, and I am not quite sure.

Mr. KENNEDY. Was that Mr. Joel Benton?

Mr. HOFFA. I don't really remember. It could be.

Mr. KENNEDY. Would you examine these, please.

The CHAIRMAN. The Chair presents to you three photostatic copies of checks with invoices attached.

Mr. KENNEDY. Do you remember if it was Joel Benton?

Mr. HOFFA. I couldn't tell you.

Mr. KENNEDY. Do you know a Joel Benton?

Mr. HOFFA. No; I do not.

Mr. KENNEDY. You don't know the name?

Mr. HOFFA. No; I do not. I never met the man.

Mr. KENNEDY. There is another check here, I think.

The CHAIRMAN. I present you three checks made payable to Joel Benton, and the first one is dated February 24, 1956, in the amount of \$1,000, and the next one, April 20, 1956, in the amount of \$1,000, and the next one, June 21, 1956, in the amount of \$1,500, all three checks drawn on local 299, truck drivers local, and I will ask you to examine them. They have invoices attached.

I will ask you to examine them, and state if you can identify them.

(Documents handed to the witness.)

The CHAIRMAN. Have you examined them?

Mr. HOFFA. Yes, sir; I have.

The CHAIRMAN. Do you identify them?

Mr. HOFFA. They are 299 checks on the 299 Truck Drivers Local 299.

The CHAIRMAN. They may be made exhibit No. 167-A, B, and C.

(The documents referred to were marked "Exhibits 167-A, 167-B, and 167-C" for reference and will be found in the appendix on pp. 15322—15324.)

The CHAIRMAN. I hand you another check, a photostatic copy and original—the photostatic copy will serve as the exhibit—payable to Joel Benton on November 1, 1955. It is payable to Joel Benton & Associates.

This check appears to be from another local, out of local 41 of Kansas City, in the amount of \$900. You may not know about this, but I present it to you and ask you if you can identify it or have any information about it.

Mr. HOFFA. It is a check from local union 41. I am not familiar with it.

The CHAIRMAN. You are not familiar with it?

Mr. HOFFA. No, sir.

The CHAIRMAN. Do we have someone here who can verify that check?

All right, Mr. Bellino.

TESTIMONY OF CARMINE S. BELLINO—Resumed

The CHAIRMAN. Mr. Bellino, have you examined this check which I have just presented to the witness?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. Where did you procure the original?

Mr. BELLINO. It was procured under my supervision from local 41, Kansas City, Mo.

The CHAIRMAN. Out of the records of the local?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. That check may be made exhibit 167-D.

(The document referred to was marked "Exhibit No. 167-D" for reference and will be found in the appendix on p. 15325.)

Mr. KENNEDY. Mr. Hoffa, what was Mr. Joel Benton doing for this money? There is this check for \$1,000 on April 20, 1956, \$1,000 on February 24, 1956, and June 21, 1956, \$1,500, plus this last one of \$900 from Kansas City local No. 41.

Mr. HOFFA. So far as Kansas City, I don't want to discuss that, because I am not in a position to.

The CHAIRMAN. The witness says he knows nothing about the \$900 check.

Mr. KENNEDY. From local 299, these three checks of \$1,000, \$1,000, and \$1,500. What did Mr. Joel do for that?

Mr. HOFFA. As I stated, Nate Stein was to handle public relations and to arrange to have the truck check made. Apparently from the checks, he also included work that he did in regard to the testimonial dinner for myself, where we raised considerable money for a home in Israel for children.

Mr. KENNEDY. What was in Mr. Nate Stein's background, Mr. Hoffa, that made you select him to check trucks on the west coast?

Mr. HOFFA. As I stated before, almost anybody could have performed the task. Nate being on the west coast, and I having known him for a number of years, I probably selected him to do the job because of the west coast nature of the work.

Mr. KENNEDY. Don't you have some Teamsters on the west coast that could count trucks, Mr. Hoffa?

Mr. HOFFA. A few of them; yes, sir.

Mr. KENNEDY. Why did you not get him to check the trucks rather than the public relations man for the Sands Hotel in Las Vegas?

Mr. HOFFA. I think I can reserve the right as president of local 299 to hire who I want. I think I reserve the right to do as I see fit, with the approval of my executive board, to be able to operate the union the way I think, not the way somebody else may think it is.

Mr. KENNEDY. Again, what was it in the background of either Mr. Joel Benton or Mr. Nate Stein that made you select them and pay them this quite generous fee to count trucks on the west coast?

Mr. HOFFA. I told you before I don't ever remember, and I am quite sure I never met Joel—what is his name again?

Mr. KENNEDY. Benton.

Mr. HOFFA. Benton; Stein arranged for it, handled it, and that is all I can tell you.

Mr. KENNEDY. Do you have his reports?

Mr. HOFFA. There was no need to have his reports, once I had read his reports, so I don't have his reports.

Mr. KENNEDY. If this was a matter that needed to be done, that was helpful, Mr. Hoffa, I would have thought the least thing you could have done was to keep his reports and place them in the file

for possible study at a later time, if you really wanted to find out how many trucks there were running up and down the west coast.

Mr. HOFFA. Mr. Kennedy, I am not in the habit of keeping records. I have a memory sufficient, able, to take care of my duties and obligations as president of this Teamsters Union, and as president of my own local union at that time. So I saw no reason to have those records kept in a file.

The CHAIRMAN. Mr. Hoffa, you say there is no reason to keep records, when you pay out money for surveys, no reason to keep them after you see them. Who else sees them?

Mr. HOFFA. I imagine I am the only one that saw the records.

The CHAIRMAN. Suppose something happened to you the next day and your lights went out? What benefit would the union get out of it?

Mr. HOFFA. Probably none, sir, except the fact that the operation from the time that it happened in this particular moment up to now, the lights didn't go out, and I was able to handle the situation sufficiently, in my opinion, and I believe for my members' satisfaction insofar as piggyback was concerned, and so far as public relations are concerned.

The CHAIRMAN. That is true, Mr. Hoffa, your lights have not gone out, but we all live at the dispensation of providence.

Mr. HOFFA. That is right.

The CHAIRMAN. If this had any value, if it was paid for out of union dues, that record, it seems to me, should be a part of the files of that union, unless this is just another one of those things, where you say it is your business and nobody else sees it.

Mr. HOFFA. I believe, sir, as president of local 299, with the confidence of my membership, my executive board, that I have to be the judge of necessarily how to operate that local union in behalf of the members and its officers.

The CHAIRMAN. All right, if that is your explanation.

Proceed, Mr. Kennedy.

Mr. KENNEDY. Mr. Chairman, we have an affidavit here from Mr. Joel Benton, who states that he received the money for the counting of the trucks. He also incorporates in there a statement, Mr. Chairman, in which he states how much work he did for this money.

The CHAIRMAN. The affidavit may be inserted in the record at this point in full. The affidavit and the statement attached may be made exhibit 168 thereto.

(The affidavit and statement attached were marked "Exhibit No. 168" for reference, and may be found in the files of the select committee.)

The CHAIRMAN. The pertinent part of the affidavit is that from the latter part of 1955 to June 1956, he received the total sum of \$4,400—

from the Teamsters Union for a survey, personally made by me, of the commercial trucking operations between Los Angeles and San Francisco, Calif. The above sum was paid by check in the amount of \$900, \$1,000, \$1,000, and \$1,500, respectively. All the above checks except the one in the amount of \$900 was either typewritten or machine printed. The check in the amount of \$900 was believed to have been prepared in pen and ink and on green paper stock, issued by Local 119 of the Teamsters Union in Detroit, Mich., sometime in the fall of 1955.

I further swear that none of the amount noted above was shared with any person connected in any way with the Teamsters Union. I further swear that

I made no promise that any part of the same in question would be paid to anyone connected with the Teamsters Union. I further swear that I have read this statement—

Et cetera.

Mr. HOFFA. That should be 299, I believe.

Mr. KENNEDY. Yes. 299 instead of 119.

Mr. HOFFA. That is correct. Yes, sir.

(The affidavit follows:)

STATE OF CALIFORNIA,
County of Los Angeles:

I, Joel Benton, being duly sworn on my oath state that during the period from the latter part of 1955 to June 1956, I received the total sum of \$4,400 from the Teamsters Union for a survey personally made by me of the commercial trucking operation between Los Angeles and San Francisco, Calif. The above sum was paid by checks in the amount of \$900, \$1,000, \$1,000, and \$1,500, respectively. All the above checks except the one in the amount of \$900 was either typewritten or machine printed. The check in the amount of \$900 was believed to have been prepared in pen and ink and on green paper stock issued by Local 119 of the Teamsters Union, Detroit, Mich., sometime in the fall of 1955. I further swear that none of the amount noted above was shared with any person connected in any way with the Teamsters Union. I further swear that I made no promise that any part of the sum in question would be paid to anyone connected with the Teamsters Union.

I further swear that I have read the attached copy of a statement made by me under date of June 8, 1958, to Mr. Walter L. Malone, an investigator with the U.S. General Accounting Office, Los Angeles Regional Office, and that all statements made therein are true and correct to the best of my knowledge and belief.

/s/ JOEL BENTON.

Subscribed and sworn before me this 27th day of June 1958.

[SEAL]

/s/ ETHEL M. ANDERSON.

My commission expires November 28, 1959.

Mr. KENNEDY. He also incorporates a statement that he made to the General Accounting Office in California into this statement. Could I read some excerpts from that?

The CHAIRMAN. I have made it an exhibit. Is this the original?

Mr. KENNEDY. That is handwritten.

The CHAIRMAN. Did Benton write this himself?

Well, is that an exact copy of it?

Mr. KENNEDY. That is correct.

The CHAIRMAN. This original may be made the exhibit, the one in his own handwriting, instead of the copy, but you may read the copy.

Mr. WILLIAMS. May we see one of them?

The CHAIRMAN. Yes. You may see the original while he reads from the copy.

Mr. KENNEDY. He was asked, "When did you meet Nate Stein?" and the answer was, "Sometime in 1954." And "How did you meet Nate Stein?"

The answer:

The office of the advertising agency by which I was employed was in the same building as that of one of our clients—the Sands Hotel. At that time I was doing the creative work on that account and met Nate in the Sands office on several occasions and in the cafeteria next door. I assumed he was in the employ of the Sands although I never asked him nor did he ever tell me he was. I liked Nate and he liked me. As I got better acquainted with him I discovered he was an extremely warmhearted person who would go out of his way to help people. He had what almost amounted to an obsession about helping orphans and once told me he was arranging a dinner for James Hoffa with the proceeds to be given to the homeless children in Israel.

Sometime in 1955 I told Nate my wife was going to have a baby. He knew I was paying relatively heavy alimony and child support and when I told him of my wife's pregnancy he asked me how I was fixed for money. I told him I was, as usual, just barely getting by. He told me he'd try to figure out some way I could make some extra money on the outside. I thanked him and forgot about it. But one day, sometime later, when, I can't recall, he told me his friend Jimmy Hoffa wanted a confidential count made of trucks operating between San Francisco and Los Angeles on both the coast and inland routes. The purpose, I believe, was either to determine how Teamsters Union members would be affected if trucks were "piggy-backed" on trains or if shipments were diverted from trucks to water. I accepted the assignment.

Presumably I was to have gotten someone to help me make a 24-hour-a-day count on both routes simultaneously but instead I did it by myself. I spent 2 Friday nights and 2 Saturday days at both Gorman and Santa Barbara. As I recall, the combined number of trucks going each way every 24 hours was approximately 800. I made my report to Nate and sometime later he gave me a check in the amount of \$900. I do not recall the date of the check nor the signature on it but I am reasonably certain it was a Teamster Union check drawn on a Detroit bank.

Very early in 1956, either January or February I think, I was commissioned to repeat my truck counting. I did this exactly as I had done before in both Gorman and Santa Barbara. On completion of my assignment I received a check through the mail at my office for \$1,000. No letter, note, or other material was enclosed. Who signed this and the two subsequent checks I received, I haven't the vaguest idea nor do I recall for sure that they were in fact Teamsters' Union checks although there is no question in my mind that they were. Approximately 2 months later I received another check for \$1,000 in exactly the same way for doing exactly the same work.

Meanwhile Nate asked me if I could dream up—

Would you read this?

Mr. SALINGER (reading):

Meanwhile, Nate asked me if I could dream up some type of public-relations program which would create a more favorable union image in the public's mind. After thinking about it for a few days I came up with an idea for a weekly ½-hour television show. The show was to be filmed, using top writers and "name" cast. I tentatively titled the show "The History of American Labor Unions." The format of the show was both simple and obvious. The show was intended to depict the birth and struggle of the unions, their victories and defeats, their faults and their virtues, and the part they have played in giving the workingman a better way of life in America. I felt that such a show, if properly done, would be as dramatic as any series on the air. I presented this idea just about as sketchily as I have here to Nate in handwritten form as I do not type and did not want to use one of the secretaries in my employer's office as he had no knowledge of any dealings I had ever had with Nate and I didn't want him to know as he might feel, though erroneously, that I was making outside money on his time. Nate read over the idea and said it might have some merit and that's the last I heard of it till he handed me a check for \$1,500 in June of 1956 with the remark that "maybe somebody liked your show idea." I took that to mean the extra \$500 because I had again counted trucks exactly as before the latter part of May. This was the last work I did for Nate and the last check I received. You asked if I had ever made any trips with Nate. The answer is no. The only trip I ever made with him was when I drove him from his Beverly Hills apartment to the airport to catch a plane.

The CHAIRMAN. All right, proceed.

Mr. KENNEDY. Mr. Hoffa, did you feel that it was worth \$1,000 to the union to have these trucks counted over a period of a weekend?

Mr. HOFFA. Mr. Kennedy, I don't believe that the question of counting the trucks was the only situation involved. There was a question of having some public relations at the same time carried on by Stein, who apparently felt rather than have the money for himself he would have this Benton get paid for it. I think you must take into con-

sideration the overall question, not just the question of whether or not a certain few trucks were counted.

Likewise, you must look at the checks and the invoice with the checks. You will note that the invoices on the checks there state that part of the work performed, which I believe was actually performed by Stein and not Benton, was in regard also to the testimonial dinner.

Mr. KENNEDY. But it says in here, Mr. Hoffa—and there is nothing in here to connect it with Nate Stein—it says \$1,000, and the check stub says:

Advertising and publicity expenses in connection with the James Hoffa testimonial dinner.

We find now that the reason that this money was paid was to count trucks over a weekend.

Mr. HOFFA. Well, I say that it isn't true. I say that the very billing doesn't verify your statements.

Mr. KENNEDY. Excuse me.

Mr. HOFFA. The very invoice that you are reading from doesn't state what you are trying to state the checks amounted to. I am saying to you that I never talked to the Denton—Benton—but I talked to Stein; told him what I wanted to do. He apparently had Benton do the work, and rather than he be paid, for some reason he had Benton paid. But public relations is a problem which can't very many times be reduced to writing. It may be the fact that he knows some newspaper people, he is able to find out information, or other such conditions surrounding the necessity of paying the money for the operation.

The CHAIRMAN. Mr. Hoffa, what did you say about what is incorrect?

Mr. HOFFA. Mr. Kennedy is trying to imply that the only work that was performed for the checks was the question of counting trucks on certain highways, and I contend that it was public relations as well as a question of trucks.

The CHAIRMAN. Well, these bills reflect, and I read from the first one, the amount of \$1,000, as submitted according to this photostatic copy, signed by Joel Benton and marked "Paid," April 20, 1955:

Services rendered, \$1,000, advertising and publicity expense in connection with the James R. Hoffa testimonial dinner.

Is that correct?

Mr. HOFFA. As I say, I don't know exactly what work Stein did, but I am saying that is the way they billed the union, and it wasn't as you see therein and just read, it wasn't for the question of checking the number of trucks between two given points. But other work was performed.

The CHAIRMAN. Well, now, let us see, the next one was paid February 4, 1956, in the amount of \$1,000, and it says:

Services rendered for advertising, James R. Hoffa dinner.

Is that accurate?

Mr. HOFFA. I wouldn't believe that there was any advertising on the west coast concerning the dinner. I would believe rather that there was probably stories placed into newspapers about the question of the dinner and what it was for and so forth. Rather than we, they say "advertising." I don't recall any advertising that I know of.

The CHAIRMAN. The next one is dated June 21, 1956, says:

Advertising and services rendered, \$1,500.

Was there in fact any advertising done?

Mr. HOFFA. I don't know of any, sir.

Unless they considered the fact that placing stories into papers and being able to attempt to get proper publicity for the union on the west coast, unless they considered that advertising, I wouldn't know of any advertising.

The CHAIRMAN. You got no bills for advertising, did you?

Mr. HOFFA. I don't recall. They would be sent to the secretary and I doubt if there was.

The CHAIRMAN. If the money was actually paid this man, as he testifies, for checking trucks, or counting trucks, can you understand why a voucher would be made out for advertising and expenses in connection with the James R. Hoffa dinner?

Mr. HOFFA. No, sir; I don't understand why the voucher was made out. As I say, it was for checking trucks and public relations, and as I likewise stated, I didn't hire Benton, but Stein must have handled the situation and apparently he is the one who hired Benton and what instructions he gave Benton I don't know.

The CHAIRMAN. All right, proceed.

Mr. KENNEDY. These checks are not made payable to Nate Stein.

Mr. HOFFA. I didn't say they were.

Mr. KENNEDY. These checks are made payable directly to Joel Benton, and these vouchers give a description of what the money is supposed to have been used for.

Mr. HOFFA. I said that.

Mr. KENNEDY. And there is nothing in the checks or in the vouchers that show that the money was to be used for counting any trucks. There is no mention at all of counting trucks.

Mr. HOFFA. Well, Mr. Kennedy, the checks will have to speak for themselves, and so will the voucher. I was satisfied with the explanation that I received from Stein, and the information I received from him. I had the authority to draft the check, and whether or not you will agree with me or not in what I did, the checks will speak for themselves and I believe my organization is perfectly satisfied with my activities because they approved of the 990 form filed with the Government insofar as compliance with Taft-Hartley is concerned.

Mr. KENNEDY. But you will agree that these vouchers attached to the checks are not accurate, will you not?

Mr. HOFFA. As I told you, Senator McClellan, I don't recall any bills that came in for advertising, and I don't recall any advertising, and in that event I would have to say that the statements, unless there was something that I don't know anything about, could be misleading. That is the best I can tell you.

Mr. KENNEDY. Now you say your membership approved. Did your membership know you were spending this money for the counting of trucks out in California?

Mr. HOFFA. I don't go to any membership with each and every request or each and every expenditure because I have authority to run the organization from the executive board and the members, and I am quite sure that you are familiar with the minutes that we turned over to you where the membership gives me that authority.

Mr. KENNEDY. What about this check that we have discussed with Mr. Gibbons, of \$3,000 that went to Samuel Feldman, Mr. Hoffa? Could you explain your part in that?

Mr. HOFFA. My part; what part did I have with the check? Would you mind telling me? That is because my signature is on the check, that is what you are referring to?

Mr. KENNEDY. We cannot find the check right now, but your signature does appear on the check for \$3,000.

Mr. HOFFA. I understand that.

Mr. KENNEDY. To Samuel Feldman on August 15, 1955.

Now, could you tell us why that money was paid to Mr. Feldman?

Mr. HOFFA. I can't tell you why the money was paid. Gibbons has the authority as secretary-treasurer to fill in the necessary checks for expenditures that he thinks are required for the benefit of our organization, and I signed the checkbooks in blank, and returned this receipt for vouchers for the checks he issued, and after issuing the checks I sign the vouchers. If there is any question concerning the expenditure, I take it up prior to signing the voucher with Gibbons.

In this instance, I suppose it was a routine voucher that came through, and I simply signed it and sent it back to Gibbons, and that is all there would be about it so far as I was concerned.

Mr. KENNEDY. So this is Mr. Gibbons' responsibility; is that right?

Mr. HOFFA. Well, I would assume that it is.

Mr. KENNEDY. Did you know that the money was going from Mr. Feldman immediately to Mr. Nate Stein?

Mr. HOFFA. As I tell you, I didn't know anything about the check, and it passed through the routine vouchers, and so I can't give you any explanation concerning that check.

Mr. KENNEDY. Now, what other work was there? Was Mr. Stein doing some work for you personally, Mr. Hoffa?

Mr. HOFFA. You mean outside of my union capacity?

Mr. KENNEDY. Well, describe what work Mr. Stein was doing.

Mr. HOFFA. I told you what he did.

Mr. KENNEDY. Public relations work?

Mr. HOFFA. Yes.

Mr. KENNEDY. Was there any other kind of work?

Mr. HOFFA. I don't know, and I can't recall.

Mr. KENNEDY. What was the nature of the public relations work he was doing?

Mr. HOFFA. I just told you.

Mr. KENNEDY. Well, no, I didn't understand you then.

Mr. HOFFA. I will tell you again.

Mr. KENNEDY. Thank you.

The CHAIRMAN. Mr. Hoffa, I believe you stated in the beginning that Mr. Stein did some work for you and for the Teamsters?

Mr. HOFFA. When I say "myself," I mean in my official capacity at the directions from the Teamsters.

Mr. KENNEDY. Any work like that would be for the Teamsters?

Mr. HOFFA. That is correct.

Mr. KENNEDY. You might personally employ him to work for the Teamsters; is that what you meant?

Mr. HOFFA. Yes, sir.

Mr. KENNEDY. No personal work for you outside of the Teamsters?

Mr. HOFFA. I don't recall at any time he did any work for me personally, and I don't believe there was any such time.

Mr. KENNEDY. Would you tell the committee what he was doing for the Teamsters, then, or for you in that capacity?

Mr. HOFFA. As I told you, he was requested by myself to check on the number of trucks.

Mr. KENNEDY. I mean beyond that.

Mr. HOFFA. Just a moment, please. And in conjunction with that to do whatever public relations he could do on the west coast in behalf of the Teamsters Union, in whatever capacity he thought was necessary for good public relations.

Mr. KENNEDY. Did the Teamsters on the west coast understand that he was working for the Teamsters in connection with public relations?

Mr. HOFFA. I did not consult anybody on the west coast, because it was being paid for out of my local union, and it didn't concern the west coast because it was for the good of the Teamsters as such in my opinion.

The CHAIRMAN. Would your local union have jurisdiction out there?

Mr. HOFFA. No, sir; but transcontinental trucks running from the west coast to the east coast interexchange freight with our trucks and we are affected by any operational changes that may take place on the west coast, sir.

Mr. KENNEDY. What about local 41 in Kansas City, the money received from them; what was he doing for them?

Mr. HOFFA. I just told you that I can only identify the check, and I couldn't tell you what it was for.

Mr. KENNEDY. I am not asking about Joel Benton, but he was doing other work, and he got other bills paid by local 41 in Kansas City. I am asking what work he was doing for local 41 in Kansas City.

Mr. HOFFA. I don't know how I could tell you, Senator.

The CHAIRMAN. We are talking about Nate Stein.

Mr. HOFFA. I don't see how I can answer such a question.

Mr. KENNEDY. You don't have any idea?

Mr. HOFFA. No.

Mr. KENNEDY. Did the local speak to you prior to the time they retained him?

Mr. HOFFA. Speak to me?

Mr. KENNEDY. Yes, about Stein.

Mr. HOFFA. I don't know why they would. They may have, and I don't know why they would.

Mr. KENNEDY. When he was in Kansas City?

Mr. HOFFA. After all, I am very friendly with local 41 as well as I am with the rest of the Teamsters in the United States, Mr. Kennedy, and they consult with me pretty regularly in almost everything they do.

Mr. KENNEDY. Did they talk to you about retaining Nate Stein?

Mr. HOFFA. No, they did not.

Mr. KENNEDY. They did not?

Mr. HOFFA. Not that I recall.

Mr. KENNEDY. Had they known Nate Stein prior to that time?

Mr. HOFFA. I am quite sure that they knew Nate Stein about the same time that I did.

Mr. KENNEDY. Why would that be?

Mr. HOFFA. I met Stein, I believe, the first time, was at our convention in Los Angeles in 1952. The same representatives from 41 that are there today were at that convention.

Mr. KENNEDY. What was Mr. Stein doing at that convention?

Mr. HOFFA. What was he doing there?

Mr. KENNEDY. Yes.

Mr. HOFFA. Mr. Stein was just there, some one of our representatives must have known him prior to that time and invited him to the convention as a spectator, and we became acquainted with him at that time. I am quite sure, almost positive, that was the first time I met Stein.

Mr. KENNEDY. Who was he there with?

Mr. HOFFA. I wouldn't know.

Mr. KENNEDY. You have no idea?

Mr. HOFFA. No.

Mr. KENNEDY. Did you understand that he was the public relations man for the Sands Hotel in Los Angeles?

Mr. HOFFA. Never directly, but I understood, or nobody ever told me he was, and I never asked him and it was none of my business, but I assumed that he was, from some of his activities.

Mr. KENNEDY. When he was in Kansas City, he had quite a number of calls to the Sands Hotel in Las Vegas, and the Sands Hotel office in Los Angeles, and generally to friends around the country, all of which were paid out of Teamster funds. Did you know that?

Mr. HOFFA. By 41?

Mr. KENNEDY. Yes.

Mr. HOFFA. No, I wouldn't know about that.

Mr. KENNEDY. You would not know anything about their relationship or arrangement with Mr. Stein?

Mr. HOFFA. I wouldn't know why 41 was paying Stein's telephone bills, but I assume they would have good reasons, and were using Stein for some purpose.

Mr. KENNEDY. Wasn't Mr. Stein in touch with you when he was in Kansas City?

Mr. HOFFA. What did you say?

Mr. KENNEDY. Wasn't Mr. Stein in touch with you when he was in Kansas City?

Mr. HOFFA. Stein is in touch with me quite often and he could very easily be.

Mr. KENNEDY. Did he keep you advised as to what he was doing in Kansas City for the Teamsters?

Mr. HOFFA. Not that I recall. As a matter of fact, I don't know what he was doing in Kansas City.

Mr. KENNEDY. Now, Mr. Hoffa, Mr. Stein was in touch with you quite frequently in October of 1957, was he not?

Mr. HOFFA. Stein is in touch with me quite often.

Mr. KENNEDY. What was he in touch with you about in October of 1957, starting October 15, 1957, or October 16, 1957?

Mr. HOFFA. I wouldn't know.

Mr. KENNEDY. He called you October 19, 1957?

Mr. HOFFA. He could have called me a dozen times in one week, and it wouldn't surprise me, and it wouldn't surprise me if he called me once a month.

Mr. KENNEDY. October 21, 1957, he called you, and October 27, 1957, and October 28, 1957, and October 31, 1957. A number of these calls are to your own home. The call that was made on October 19, 1957, there was a call made on October 19, 1957, from Nate Stein, that was made from your home?

Mr. HOFFA. It is not surprising, he visits my home.

Mr. KENNEDY. Could you tell us what he was doing there?

Mr. WILLIAMS. Would you further identify those calls, from where they were made.

Mr. KENNEDY. A call from Mr. Hoffa from his home to Stein at Crestview 4-2757 in Beverly Hills.

On October 16, 1957, Stein called Mr. Hoffa collect at local 299 from Beverly Hills.

October 19, 1957, Nate Stein made a call from Hoffa's home to Los Angeles.

On October 21, 1957, Nate Stein called Mr. Hoffa collect, local 299, from New York. At that time he was at Circle 5-7195. That number is listed to the law office of Ducker & Feldman, the same lawyers who received this \$3,000 payment.

The CHAIRMAN. How does that date relate to the time they received the check.

Mr. KENNEDY. It is some time afterwards. This is October 21, 1957, and I believe the check was in 1955, August of 1955.

The CHAIRMAN. All right.

(Members present: Senators McClellan, Ives, and Church.)

Mr. KENNEDY. Do you remember what that was about, Mr. Hoffa?

Mr. HOFFA. Mr. Kennedy, I told you that I know Stein. Stein may have called me to ask me about my health, my family, he may have been relaying some information about something he picked up on the west coast or something he picked up concerning the Teamsters that he thought may have been of some value to me. I don't remember what the individual conversations were, because I had no reason to remember them.

The CHAIRMAN. What kind of work was he doing for the Teamsters in 1957? That is, at this time, at the time of these calls?

Mr. HOFFA. I don't believe he was doing any work, Senator. I don't think there is any checks issued out of any of our organizations at that time for Stein, in as far as 299 or our joint council was concerned.

The CHAIRMAN. It appears from the records of telephone calls that beginning on January 28, 1957, up to February 24, 1958, he placed some 19 long-distance telephone calls collect from different places and the Teamsters paid for them. Now, can you tell us why?

Mr. HOFFA. No, I can't tell you why.

The CHAIRMAN. These calls were to you.

Mr. HOFFA. As I say, Senator, he may have been relaying some information he had picked up concerning the Teamsters or picked up some information he thought may have been of concern to the Teamsters Union. He may have been simply calling up to inquire about the situation concerning our unions—

The CHAIRMAN. You said about the health of your family a while ago.

Mr. HOFFA. It could be very easily, sir.

The CHAIRMAN. He would not be calling you collect on the Teamsters' pay to find out about the health of your family, would he?

Mr. HOFFA. He may add that into some other information he submitted to me; yes, it could happen.

The CHAIRMAN. I am talking about the primary purpose of the call. Of course, you call a fellow and you say: "How are you, Jim," or "Jack," or "Tom," and "how is your family?" Then you go into your business.

Mr. HOFFA. That is right, sir.

The CHAIRMAN. Now, what was the business? That is what I am trying to find out.

Mr. HOFFA. I don't know what it was.

Mr. KENNEDY. A lot of these calls were in January and February of this year.

Mr. HOFFA. You will find a lot of calls. You will find some recently, even, if you will just check.

Mr. KENNEDY. Could we put this in?

The CHAIRMAN. Mr. Bellino, have you compiled these calls from the records of the telephone company?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. This sheet may be made exhibit No. 169.

(The sheet referred to was marked "Exhibit No. 169" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. Mr. Hoffa, continuing this discussion of the use of union funds, I would like to ask you about another matter.

Senator IVES. Before you get to that other matter, there is something I would like to ask Mr. Hoffa.

The CHAIRMAN. All right, Senator Ives.

Senator IVES. Mr. Hoffa, on the obituary page of the New York Times today, page 21, appears an article—you have probably seen it.

Mr. HOFFA. No, I have not seen it.

Senator IVES. If you have not seen it, undoubtedly you know about it. It is headed, "Teamsters Here Back McNamara."

Mr. HOFFA. I am familiar with it. I have read the article.

Senator IVES. I assumed you had.

There is one thing here that I want to read to you, because it bears out some of the testimony you have given over a period of time.

I think it is in your favor. Maybe you would like to hear something from us now and then in your favor.

Mr. HOFFA. Well, it would be an exception. I certainly would.

Senator IVES. Bear in mind we are fair.

Mr. HOFFA. I appreciate that.

Senator IVES. This is what it says:

It was disclosed that the executive board of local 808 had turned down two requests last month from James R. Hoffa, international president of the union. They refused to carry out his order that an audit of the local's finances be turned over to the monitors and that McNamara take a leave of absence.

Mr. HOFFA. I am familiar with both of them and I can give you an answer on both of them.

Senator IVES. I am not asking you anything. I am reading the newspaper story.

Mr. HOFFA. I think they deserve an explanation, because the print is incorrect.

Senator IVES. This is why I am bringing it up, and I may read your testimony during last year's hearings. You promised me per-

sonally—do you remember the promise you gave me—that you were going to run a good union, you were going to clean house?

Mr. HOFFA. I very well recall it.

Senator IVES. It still stands, does it not?

Mr. HOFFA. I think I can verify the fact that I have.

Senator IVES. Is this part of the way in which you have been carrying it out—your promise?

Mr. HOFFA. Yes, but I think that the answer to the questions raised in the paper and the suspicions that it arouses, that there is some kind of defiance against my instructions, should be clarified now that it has been placed in the record.

Senator IVES. You are not going to put yourself in the same category as McNamara, are you?

Mr. HOFFA. I think McNamara's position ought to be clarified in all fairness to McNamara and to his executive board, Senator.

Senator IVES. All right, you clarify it. But for heaven's sake, do not get in bed with him.

Mr. HOFFA. The problem is this: McNamara's local union has a certified public accountant statement. That statement, at my request, was submitted to the international office. I in turn made that available to the monitors. The certified public accountant's statement was in compliance with the constitution and bylaws of the international union.

When the monitors insisted upon Price, Waterhouse going in and auditing the books of 808, 808 took the position that they had already complied with the constitution in submitting a CPA report concerning their funds, and felt that the monitors had no right to put their local union to the added burden of expenses necessary for a second audit, but first they should go over the audit submitted by that local union to determine if there was anything wrong with the audit and, if so, they agreed to have their CPA discuss the matter with those who were complaining about the report. That took care of that one.

The second request was that McNamara make up his mind in regards to either resigning from 808 or 295, that he couldn't be an officer of both local unions.

It became a legal question, much to my surprise, and two lawyers took a different view concerning the interpretation of the international constitution as to whether or not an individual member could be an officer of two local unions.

I requested and instructed McNamara to resign from one of the two local unions.

McNamara, in turn, replied to my request that he would leave 808 and remain an officer of 295 only. He submitted his resignation to 808, which is the express drivers of New York.

The express drivers, at a special called meeting refused to accept his resignation, and requested that he remain an officer of their organization and also 295, I am informed, requested that he remain an officer of that organization. It is now up for determination between our lawyers, who are in disagreement, by the way, as to whether or not a member can, under our constitution, be an officer of more than one local union.

Senator IVES. Just a minute.

I thought you said they could not be.

Mr. HOFFA. I said the question was raised by myself.

Senator IVES. As to whether they could or could not? I see. I thought you said the constitution prohibited it.

Mr. HOFFA. No, sir, it isn't clear, and the lawyers, generally, when they read it, read it for whatever they can find in it, and they are in dispute.

When that question is resolved, then I will make a decision, based upon their interpretation as to whether or not he can remain in both locals or one local union.

I have been assured by the officers of both local unions that they will comply with the final order from my office as to whether or not he cannot remain an officer of one or two local unions.

Senator IVES. I appreciate that explanation, but I just want to ask you one question in connection with it, or maybe two.

In the first place, this article in the New York Times, which is reputed to be a pretty honest paper, one that we can usually rely on is apparently misleading, is it not?

Mr. HOFFA. Well, they probably got secondhand information, not firsthand information, and printed what they thought was the truth.

Senator IVES. The article would lead one to believe that you were taking issue with the local there on this matter, taking issue with the members of the local, taking your own position in the matter and defying the members of the local that voted the way they voted. That is what I get out of the article itself, the general purport of it.

Now, there are 400 members present at that meeting out of something of a membership like 1,300. You know the membership.

Mr. HOFFA. It is roughly 1,300.

Senator IVES. And it says about three-quarters of those that voted were for McNamara, is that right?

Mr. HOFFA. That is correct.

Senator IVES. Well, do not be so defensive in your answers. Just answer openly and freely, if you will, please.

Now, in line with our conversation of a year ago, it occurs to me that Mr. McNamara is one of those people who should be removed from this union.

Mr. HOFFA. That, I don't agree with you on, and I don't place McNamara in any connection with the individuals you discussed, because McNamara's case is up on an appeal.

Senator IVES. He has been convicted of extortion. He is appealing it, yes. You want to take the position that you are going to wait until the appeal is through?

(Witness confers with his counsel.)

Mr. HOFFA. He received a writ of reasonable doubt from the appeal courts. His case will come up in the fall, I understand. Until such time as he has had an opportunity to exhaust his legal rights, I do not believe that he can be classified in a position other than an individual who has not exhausted his appeal.

I will not, and I state it publicly and I have stated it before, I will not take action against anybody until such time as they have had their final appeal, all the way up to the courts.

Senator IVES. I realize that is your position, and I am not going to argue with you about it. You have a perfect right to that position.

I think, fundamentally, you probably are accurate. But I want

to ask you the next question, which is a very natural question. If his conviction stands, are you going to make him get out then?

Mr. HOFFA. Probably, if his conviction stands, I will have no decision to make because the decision will have been made by the courts and McNamara will be——

Senator IVES. He will be in jail.

Mr. HOFFA. Will be out of the local union.

Senator IVES. You believe he will be out of the local union?

Mr. HOFFA. He would be out of the local union.

Senator IVES. He would be in jail, probably.

Mr. HOFFA. Yes, sir.

Senator IVES. That takes him out automatically.

Mr. HOFFA. Yes, sir.

Senator IVES. Tell me this while we are on this subject. Are you still going to keep paying his salary? Are you going to keep paying his wife his salary after he is in jail?

Mr. HOFFA. Well, I say to you, Senator, seriously——

Senator IVES. These are far-reaching questions I am asking you.

Mr. HOFFA. And I will answer you, publicly and for the record. I say to you that problem will be left up to his membership to make the decision.

Senator IVES. In other words, you are going along with the membership?

Mr. HOFFA. Yes, sir.

Senator IVES. Well, they had 400 that voted yesterday, or whenever this was, out of 1,300. Do you think if the whole 1,300 were present the vote would be of the same proportion, 3 to 1?

Mr. HOFFA. Senator, I say to you I happen to know something about this meeting, and on the windshield of the trucks, the Railway Express drivers, was placed a letter that I wrote to the monitors of this international union, by some clever individual, and I have my suspicions who it is, which should have brought about the full attendance of this local union of all of its members.

If only 400 members saw fit to show up, then the balance of the local union must abide by the decision of those who attended the meeting, the same as they do when they elect a Senator, a Congressman, or any other elective officer. And, likewise, I may say that any Senator or Congressman who is absent from a session of Congress certainly ought not to have any right to complain about the action those present were able to have voted on by a majority of the people.

Senator IVES. I cannot argue with you about that at all, and I cannot argue with you about a minority showing up at a meeting. That is one of the things we have been concerned about.

You will remember we went into that in some detail last year.

Mr. HOFFA. I remember that.

Senator IVES. It was how to get the members to show up.

Your union, as I understand, has secret ballots. I think you told us about that last year?

Mr. HOFFA. For election of officers and for strike votes.

Senator IVES. For election of officers you have secret ballots?

Mr. HOFFA. And for strike votes.

Senator IVES. And for strike votes?

Mr. HOFFA. Yes.

Senator IVES. That is my recollection.

You still have that?

Mr. HOFFA. In the constitution; yes.

Senator IVES. Tell me this, and I will not hold this up too much longer, but in line with that pledge you gave me a year ago, and I have enough faith in you to think that you meant it, what have you done in the meantime to help clean house with some of your local unions? You know as well as I do that one of your troubles is the fact that you have so blamed many bums, racketeers, gangsters and the Lord knows what in your organization, ex-criminals, criminals and I don't know what. That is one of your troubles.

Mr. HOFFA. I don't like to take the time up of this committee, but you have asked me this, I think, twice.

Senator IVES. I think this is important.

Mr. HOFFA. I would like to give a résumé, if I may, of something that may interest you and this committee.

May I, Mr. Chairman, take a few minutes to do it?

The CHAIRMAN. Yes.

Mr. HOFFA. The following analysis relates to individuals, directly or indirectly connected with the Teamsters, who have been accused by the McClellan committee of criminal activity. This analysis is based on the transcripts of testimony, the interim report, and information supplied to the international union from various sources.

1. Not now and never were members, officers—

Senator IVES. Have you a copy of that?

Mr. HOFFA. No, sir; I am sorry. I only have one. The reason I only have one, if I may say, Mr. Chairman, is that we run it off just before we came here. We will have copies and will be happy to give them to you, once we are able to get them run off.

Senator IVES. Thank you.

Mr. HOFFA (reading):

Not now and never were members, officers, agents, or representatives of the Teamsters Union: John Dio Guardi, Angelo Meli, Paul Dorfman, John Bitonti, Anthony Doria, Ben Lapensohn, Lou Farrell, Charles Kaminetsky, Harry Friedman, Carmen Tramunti, Sam Berger, Herman Prujansky, Burle Michaelson, Max Stern, A. Harvill, and W. Harvill.

2. Members of Teamsters Union as required by union-shop agreement, but not officers or employees: Jack Ballard, Tom Shoulders, Jr., Barney Sandridge, Joseph Grosscup, Basil Webb, Charlie Clure, Joe Ferrara, John Poole, Carl Cotez.

3. Former officers or employees but no longer associated with the Teamsters in any capacity: Gerald Connelly, Dan Keating, Sam Morosso, Louis Berra, Joe Curcio, Sidney Hodes, Nathan Carmel, Milton Levine, Max Chester, Jack Priore, Phillip Goldberg, Abraham Goldberg, Lester Stickles, Herman Kierdorf, Frank Kierdorf, Louis Shoulders, Byron Flick, Eugene James, Ziggy Snyder, Mike Nicoletti, Lewis Lintean, Ernie Bellas, Harry Davidoff, Nat Gordon, Aaron Kleinman, Dan Marvin, Sam Zaber, Abe Brier, Sam Goldstein, Phillip Massiello, John Myhasuk; Shorty Feldman, under suspension; Reddin and Lattin.

4. Officers or employees of Teamsters who have been arrested but never convicted of any crime, and they are still on the payroll: Frank Fitzsimmons, Abe Gordon, William Buffalino. Saltzman is no longer with the Teamsters. That belongs in the other classification. That is why we didn't give it. We are still checking some of these—Cecil Watts, Clyde Crosby, Gene San Soucie, Joe Bommarito.

5. Officers, agents or employees who were convicted of misdemeanors or felonies before employment by or election to office of Teamsters Union. Date of conviction preceding employment follows each name. Barney Baker, 1935; William Presser, 1953; Al Vignalli, 1935; Larry Welch, court martial; Albert New-

man, 1954; Antonio Corallo, 1941; Gus Zappas, 1938; Ed Walker; Joseph Cendrowski, 1940; Arthur Freese, Nick Frank, John Elco, Sam Cutillo, 1937; Louis Triscaro, 1933; William Hoffa, 1942; Roland McMasters, 1936; Joseph Glinco, 1923; Branch Wainwright, 1950; Jack Thompson, 1937; Theodore Cozza; Raymond Cohen is incorrect. He was never convicted, to my knowledge.

Mr. KENNEDY. Yes; he was.

Mr. HOFFA. He was convicted?

Abe Berman, 1951; Peter Lusko; Michael Sobolewski, 1940; Harry Lindsay, 1923; Charles Amoroso, 1957, for trespassing.

Senator IVES. May I interrupt you there a moment, Mr. Hoffa? Those people you have just named now, as I understand it, have been convicted?

Mr. HOFFA. Yes, sir.

Senator IVES. And are on appeal?

Mr. HOFFA. No, sir.

Senator IVES. They have just been convicted and not sentenced?

Mr. HOFFA. They have been convicted; their sentence has been either fines, probation, or if they served time, they have been out a considerable number of years, as you will see here from the report.

Senator IVES. Those convicted of felonies have they had their citizenship restored?

Mr. WILLIAMS. Senator, all these convictions, to clear up this matter, antedated their employment or their election to office by the Teamsters. That is the significance.

Senator IVES. They do not hold any office now?

Mr. HOFFA. Yes, sir; they do, but their convictions were prior to the time that they were officers of our organization. I may say that there is 12 people here, Senator, on this list, out of the list I just named, that are now being investigated by our committee as to what action we should take against those 12 individuals.

When the 12 individuals are investigated, we will then investigate the balance of them to determine what recommendations our committee believes are necessary to correct this situation.

Senator IVES. Let me ask you a question I started to when you started this.

How large a number of that group that you just named, and I do not know how many there were in it, have had their citizenship restored?

I think some of those people have been convicted of felonies.

Mr. HOFFA. There isn't an individual here that we can find, Senator, that have lost any of their civil rights.

Senator IVES. They are all full citizens?

Mr. HOFFA. Yes, sir.

Senator IVES. Even though they have been convicted of felonies?

Mr. HOFFA. Yes, sir.

Senator IVES. Their civil rights have been restored?

Mr. HOFFA. From the best we can find out from the quick check we made, that is correct. We will have it in more detail shortly.

Senator IVES. You are going into it shortly to check the whole thing?

Mr. HOFFA. Yes, sir; our committee is going into it.

Senator IVES. Do you have more to read?

Mr. HOFFA. Yes.

Senator IVES. I do not want to interrupt your reading because I think what you are saying is very important. But I want to ask you this while we are at it: How many of these people who have lost their positions as officials in your union have lost that position or their position because of action taken by yourself?

Mr. HOFFA. Senator, let me say this to you, and I want to refer to Mr. Kennedy's remark——

Senator IVES. I am trying to help you.

Mr. HOFFA. I am trying to help you, if you will let me answer.

Senator IVES. I do not need any help.

Mr. HOFFA. I mean by answering.

In answer to Senator Kennedy the other day about being tough, I found out a long time ago that only kids are tough, very few adults are tough. I don't propose to remove people from office. I think if you have any way, any persuasive way at all, that you can talk to individuals who will take care of their own problems. I haven't directly told anybody here to resign, and I don't think I will have to tell anybody in the future to resign. I think by a matter of discussion and commonsense they, themselves, will relieve themselves from the payroll, and we will correct the situation within the Teamsters Union without taking any drastic action.

Senator IVES. Are you sure they will not relieve the union of the payroll?

Mr. HOFFA. I am very sure, Senator, and I will say that I am capable of being able to handle the situations that deal with the Teamsters International Union.

Senator IVES. I think you are, if you will do it.

Mr. HOFFA. I think this record will have to speak for itself.

Senator IVES. Well, go on ahead and go on with your record, please, and I did not mean to interrupt you.

Mr. HOFFA (reading):

6. Convictions while officers or representatives and still official of union:

W. A. Smith: Arrest record consists almost entirely of pleas of guilty to violations of city ordinances relating to such things as disorderly conduct and traffic violations which are neither misdemeanors nor felonies. Recent conviction for assault in labor dispute—on appeal.

Glenn Smith: Since his employment by local Teamsters union, had one conviction for assault and battery in 1948 in connection with a labor dispute. Fined \$100. Earlier arrest record antedated his employment by the Teamsters by some years. Since last offense he had worked regularly as a truckdriver for over 10 years before the executive board of his local union hired him as a business agent in 1946. Recently charged and tried—just a moment, and I will give you all the information and I am not hiding anything. He was recently charged with making improper contributions of union money. He is now under indictment for tax violations growing out of same matter. Found not guilty by trial board and verdict sustained by unanimous vote of his membership at special meeting. International union restrained from proceeding against him by court order. That comes up October 1.

H. H. Bolling—Convicted of illegal transportation of alcohol before becoming union officer. Now under indictment for tax matters with Glenn Smith, concerning which above comments also apply, including union acquittal and court order restraining international union. Comes up October 1 and our lawyers will be there to handle that case.

Mr. KENNEDY. I do not believe you gave the full story on Glenn W. Smith as far as his convictions are concerned.

Mr. HOFFA. Will you tell me what I left out?

Mr. KENNEDY. Did you put in the two convictions that he had had during the 1930's, convictions, I believe, for armed robbery, or for burglary? He had been convicted twice prior to becoming a Teamster official.

Mr. HOFFA. Just a moment.

Mr. KENNEDY. He had been convicted in 1949 in Kentucky.

Mr. HOFFA. I will find it, if it is here. As I say, we got this together in kind of a hurry.

As pointed out by Attorney Previant, we say he had some violations of law prior to becoming a Teamster, and they could conceivably be the incidents.

Mr. KENNEDY. They were two very serious ones, and then, of course, he had the other conviction while a Teamster in 1949, and then the payment of the \$20,000 in 1952, so he has had quite a record.

Mr. HOFFA (reading) :

Sidney Brennan—convicted in November 1956 for misdemeanor in accepting money from an employer. Payment had nothing to do with collective bargaining unit or contract of Teamsters Union. The case was a test case of definitions under Taft-Hartley Act. Membership has repeatedly voted confidence in Brennan since this conviction. He stands for election in his local union this fall. This was not an extortion. Court imposed fine and probation as first offense. He is no longer a vice president of the international union.

Eugene Williams—same as above.

Jack Jorgenson—same as above.

Milton Holt—

Mr. KENNEDY. Those were all appealed to the Supreme Court?

Mr. HOFFA. Yes.

Mr. KENNEDY. They were all appealed to the Supreme Court, and the court sustained the verdict and these people still hold their positions?

Mr. HOFFA. That is correct.

As I stated here in the record, their membership are aware of the convictions, and the membership has taken action on the question, and they have to stand election this fall, to get whether or not the membership will want them to remain in the local union.

Senator IVES. May I raise a question there, Mr. Chairman.

I want to make a suggestion to your organization, Mr. Hoffa. I do not know whether you realize it or not, but I am interested in making the Teamsters a great organization. I really am.

Mr. HOFFA. We are a great organization.

Senator IVES. I know, but you are not as great as you could be, and I am interested in making the Teamsters the greatest one it can be.

Mr. HOFFA. We accept your help.

Senator IVES. I am glad to give it any time.

Now I want to make this suggestion, here is where the help comes in: I suggest that if you have a convention, and you may be having one judging from the newspaper reports I am reading, in February; is that right? When you have a convention, I suggest you amend your constitution or your bylaws, adding a provision which will prohibit the holding of office by people who have been convicted of felonies and have not had their full citizenship restored.

Now you have gentlemen that have been convicted and you are going to leave it up to the membership. I do not believe in that.

Mr. HOFFA. Senator, there isn't anybody—

Senator IVES. There are certain things you cannot do under our own Constitution of the United States, you know.

Mr. HOFFA. There isn't a person on here, I am trying to tell you, there isn't anybody here that we can find who has lost their civil liberties or civil rights.

Senator IVES. If you have people convicted of felonies, you have people there that have lost their civil rights at one time or another.

Mr. HOFFA. They have a right to have them restored.

Senator IVES. Exactly. When they are restored, then they should be able to hold office again, but until that time they should not be eligible for office.

Mr. HOFFA. I apparently am not making it clear.

Senator IVES. You are going to leave it to the members?

Mr. HOFFA. It isn't true; I am talking about Sidney Brennan.

Senator IVES. You are talking about somebody else now.

Mr. HOFFA. I was talking about Smith a moment ago, Jorgenson, and Williams, and they have not at any time, so far as Williams, Jorgenson, or Brennan were concerned, lost their rights. They did not have to go out and get anybody to give them back any rights they were entitled to as American citizens.

Senator IVES. They were not convicted of felonies, you mean?

Mr. HOFFA. No, sir; it was a misdemeanor. [Reading:]

Milton Holt—violation of Federal Antitrust Act in connection with alleged illegal contract between union and employers association. Now under indictment for perjury, and hasn't been brought to trial, and that will depend purely upon evidence once it goes to trial.

McNamara—convicted but appeal pending, and released on bond on certificate of reasonable doubt.

Alfred Reger—convicted but appeal pending and released on bond on certificate of reasonable doubt.

Frank Matula—convicted but appeal pending.

Herman Hendricks—picket line scuffle.

Bernie Adelstein—under indictment. Case hasn't come up yet.

Charles A. Amarosa—trespassing during strike.

Of the total of this operation, 106 persons named on the attached list above: Sixteen were never members, agents, or officers of the Teamsters Union.

Nine were members only who, upon employment, are admitted to membership in the local union.

Thirty-four are no longer connected with the Teamsters Union.

Eight have been arrested on records only followed by acquittals or no prosecution.

Twenty-six were convicted of misdemeanors or felonies for varying periods of time prior to their assumption of office in or employment by Teamsters Union.

Thirteen were arrested and convicted while in official capacity. Their cases are now being reviewed by the international union.

The list does not include the many witnesses and others referred to in the testimony regarding whom there is no claim or basis for charge of criminal activity. It clearly appears that the committee is talking about a mere handful of union officers and agents out of the more than 3,000 full-time officers of the Teamsters Union, and about arrests and offenses which in the main do not of themselves indicate a lack of capability to represent workingmen or demonstrate a tendency to injure or prejudice the interests of those whom they represent.

So in response to what I told you last year, I believe we have, in my opinion, and I think the record will speak for itself, did more to correct this situation in a short period of time I have been in office than the officers prior to my time did in the entire history of this international union.

Senator IVES. I think you have made great strides in that direction. I will commend you for what you have done. I don't think that you have gone the whole route and I think you have a long way to go, and I want to ask questions of our counsel before I get through.

But I want to get this out of you, Mr. Hoffa: You have not given any reply to that question about your changing your constitution with respect to officeholders. I think that you should do that. In the eyes of the public, and after all is said and done, the strength of a labor organization in the final analysis rests with the opinion of the American people regarding it.

Mr. HOFFA. Senator, I don't disagree with your last statement, but the question of changing this constitution will be subject to the will of the delegates to our next convention.

Senator IVES. That is right.

Mr. HOFFA. And we will submit in due time to our convention what we believe will be a correction of some of the problems that have arisen during the period of time that I have been the administrative officer of this international union.

Senator IVES. I am mighty glad to know that.

What I am saying I think is rather far reaching in respect to other labor organizations as well as with respect to the Teamsters. These reforms—let us call them that—have got to be made and preferably made within the labor organizations themselves. I am here to tell you if they are not made that way, they will be made by government.

Mr. HOFFA. We recognize that, Senator.

Senator IVES. When they are made by government, the law you are apt to get will be no Kennedy-Ives bill. It is something that will go a great deal further and may in the end destroy labor organizations, at least temporarily, and cause a great deal of trouble in the country. That is something that everybody should be careful about. That is why I am thinking about that, too.

Now, Mr. Counsel, I have a question I would like to ask you.

You heard the list of names that Mr. Hoffa called out there. Can you speak for their accuracy with respect to our own records or the inaccuracy of our records. I will admit we sometimes make mistakes.

Mr. HOFFA. This came from your records, out of the daily reports, this record was built.

Senator IVES. If they did come from our records, do you agree with what you read, insofar as that is concerned? You say a great deal of it you have to check into further.

Mr. HOFFA. I didn't say a great deal. I think that there are 13 people that I haven't already assigned committees to check into, and those 13 people that are not assigned will have committees assigned to them, to investigate them and make reports back to our organization.

Senator IVES. Then my only comment on that is that the committee, I think, has done a great deal of good, and a great service in this connection. You have been enabled to present that record you have read this afternoon by following up what the committee has done. We have not been out trying to get you, and not one of us has been trying to get you. We have all been trying to help you.

Mr. HOFFA. I don't want to take issue with that statement, while I don't agree with it.

Senator IVES. Just exactly where have I been trying to get you?

Mr. HOFFA. I would say to you, with all due respect to the Senators conducting this hearing, that it is my considered opinion, for whatever it is worth, that our Teamsters Union has been under attack unnecessarily, publicly and in stories that are for one purpose only, and that is to destroy the Teamsters Union. I don't say this out of disrespect, but it is my personal opinion, and I believe the working people of our international union driving trucks and working in warehouses and factories are in many instances of the same opinion that I am, and no later than yesterday I held a meeting of over 1,000 people and expressed my views to them in Louisville, Ky.

I may say to you that I expect to attend meetings all over this United States as rapidly as I am released from the hearings here, and airplanes can get me to those meetings, and I don't want to mislead anybody, because I certainly am going to tell the members in my opinion it has been in many instances unnecessary for this committee to attack the Teamsters Union the way they have, and in my opinion it was deliberately influenced to destroy the position of the Teamsters Union.

Senator IVES. I can assure you anything I had to do with it, with this affair, has not been in any way, shape, or manner connected with any thought of destroying the Teamsters Union. I am sure that is true of all of the members.

What we have been trying to do is help you clean house, and the list you read there shows that you have been on the job trying to clean house.

Mr. HOFFA. Senator——

Senator IVES. It vindicates what we have been doing.

Mr. HOFFA. I know only one way to clean house, and I have been handling this situation the only way I know how, and that is to call individuals in and discuss the problem with them, and as I stated before, have them recognize the Teamsters International Union is bigger than Jimmy Hoffa or any single individual in the Teamsters Union, and if it takes any one of us out of the picture to keep this a great international union, you will find in my opinion in every instance Teamsters officials will, without anybody commanding them or holding trials, accept their responsibility of leaving office and maintaining this a great international union.

(Present in the hearing room: Senators McClellan, Ives, and Church.)

Senator IVES. You can do one more thing, Mr. Hoffa, in that connection. I think it is very fine if you do that. I am in favor of that kind of approach myself.

But you can do one more thing. You can impress upon the membership their responsibilities in the selection of their officials.

Mr. HOFFA. Yes, sir.

Senator IVES. That is most important, too.

Mr. HOFFA. We are writing an article in our magazine. I will be very happy to supply it to you. It goes to 1,250,000 members regularly every month, from what I am told by the printer.

We are writing an article concerning this very same problem you are talking about. I am not ducking the issue. I will be involved in the article, too.

Then we are going to have an opportunity in the early period of time to determine whether or not the administration, since I have been in office, is satisfactory to our representatives or not, throughout the country.

Senator IVES. I am not stopping with the administration. I think the good that you have done already should be commended and I think you have done good, following our last year's hearing.

While you may have shortcomings that are being revealed at the present time, the shortcomings, apparently, are becoming fewer in number.

What I am talking about on approaching your membership, is to have them realize their responsibility for having the type of official that they should have.

Mr. HOFFA. We are writing that article, sir.

Senator IVES. Is that exactly what is in the article?

Mr. HOFFA. It is going to the members to alert them to the necessity of electing officials who may represent them properly and who are above approach.

Senator IVES. In other words, it is not trying to vindicate any officials now holding office?

Mr. HOFFA. We are not trying to cover up anything and don't intend to use our magazine for that purpose, Senator.

Senator IVES. All right. As long as you do that, you are on the right track.

Mr. HOFFA. You will be able to read the article and so will the general public, and 1,250,000 members of the Teamsters.

Senator IVES. Thanks for that.

I am sorry to have taken all of this time.

Senator CHURCH. Mr. Chairman.

The CHAIRMAN. Senator Church.

Senator CHURCH. Mr. Hoffa, in reading over this list of Teamster officers who have been convicted at one time or another of criminal offenses, some of whom are no longer officers and some of whom remain officers, I think that the very list indicates the need for a cleanup in the Teamsters Union, the remaining and continuing need.

In that connection, it seems to me that the most important factor is the attitude of the leadership in the Teamsters Union, and, more particularly, your own attitude.

So let us take the case of Mr. McNamara, because I would like to know and understand just exactly what your attitude and approach will be because I think basically the job will be done if you see to it.

It is very likely not to be done if you do not see to it.

Now, let's take this McNamara case and review it. I understand that Mr. McNamara is presently an officer of the Teamsters local; is that correct?

Mr. HOFFA. Yes, sir.

Senator CHURCH. And he has been duly convicted in a trial court of extortion; is that correct?

Mr. HOFFA. The lower court; yes, sir.

Senator CHURCH. And the matter is now on appeal to a higher court for review?

Mr. HOFFA. And he has been given a writ—I believe they call it——

Senator CHURCH. He has been given whatever is necessary to appeal the case to a higher court to review the trial court's decision?

Mr. HOFFA. That is correct.

Senator CHURCH. You have testified that in your opinion, as president of the international, you should take no action against a man who has been convicted by a trial court of extortion as long as the matter has not been finally adjudicated on appeal?

Mr. HOFFA. That is correct, sir.

Senator CHURCH. And if I understand your testimony correctly, you said that in the event that the appeal court were to confirm the conviction of the trial court, that then you would assume that in the sentence that would follow, the action of the court would have the effect of removing Mr. McNamara as an officer of the local; is that correct?

Mr. HOFFA. That is correct, sir.

Senator CHURCH. So that in the full process of the law, then, in this instance, it is the action of the courts and ultimately the sentence of the court that removes Mr. McNamara from office and not the action of the international leadership of the Teamsters Union; is that correct? Does that not follow?

Mr. HOFFA. I would say it would necessarily follow, because an American citizen has a right, in my opinion, not to be judged guilty nor relieved of his responsibility until such time as he has exhausted final appeal.

Otherwise, he would find himself in a position, Senator——

Senator CHURCH. In other words, that does follow, does it not?

Mr. HOFFA. I think it is necessary, Senator, in all fairness to explain why it would follow that way.

Senator CHURCH. I understand your reasoning being that until a man has gone through the entire process of having his case adjudicated in court, and until a final appeal has been taken, and a final ruling has been made, his case has not been disposed of judiciously.

Mr. HOFFA. No, sir; that isn't the only reason.

Senator CHURCH. And, therefore, you ought not to take action until that full review has been given?

Mr. HOFFA. No, sir; that isn't the only reason.

Senator CHURCH. Then what other reason is there?

Mr. HOFFA. An elective position to a union is no different from an elective position to the Senate or the Congress of the United States. It depends on the question of your ability to secure sufficient votes to be able to be elected. If I was to remove upon indictment or upon a lower court of appeal, an individual from his office if it was for an offense other than an offense directly involving the union and the funds, I would, in my opinion, create a situation to where, if that individual was found innocent, he would have lost his position in the union, and would be unable to regain his position even though he was found to be innocent, because an election taking place to fill his vacancy upon removal would have elected to office an individual who would have from 3 to 5 years, under our constitution, to remain in office.

So even though he was found innocent, he would actually have been found guilty and relieved of his position prior to having his final opportunity to have his case appealed to the highest tribunal in this country.

Senator CHURCH. I understand your reason that you have given. I have heard you give it before, before this committee.

I don't agree with your reasoning. I don't agree for a great many reasons. I think that anyone convicted of a felony is convicted of a grievous offense against society, and I think that in the interest of protecting the membership of the union, in view of the responsibility and power that an officer of a local has, that in the very least, he ought to be suspended until a final determination in his case is made.

What if a bank teller were convicted of stealing funds. Do you think that it is in the interest of wise business practice for the bank to retain him in the cage until the supreme court of the State has passed upon the case?

Mr. HOFFA. Senator, I have read some stories in my life where bank tellers were falsely accused, and their life was ruined because of their inability to maintain a position that they had chosen to make a livelihood out of, and after being found innocent the damage had already been caused.

I don't propose to be one of those individuals.

Senator CHURCH. Do you not think, Mr. Hoffa, that it would be impossible within the Teamsters Union, to provide for a method of procedure which would make it possible for anyone who is accused, so seriously accused, that in the processes of law, a trial court after due consideration of the evidence has found him guilty, that at that point he could be suspended under an arrangement that would take him out of his position of power until such time as a review had been completed, and then if upon the review the conviction were reversed, he could be reinstated?

This attitude that a man should stay in office until the courts remove him, in effect, does not seem to me to be an attitude that it calculated to do the job that obviously needs doing in the Teamsters Union.

Now, in connection with Mr. McNamara, you went on to say a few minutes ago that, in response to a question from the senator you said even if after the full process of the courts, if the court on final adjudication, on appeal, were to confirm the conviction, and even if then he were to be sent to prison, and sentenced for the crime that he was found guilty of committing, that you would leave the matter of whether or not union money should be paid to him while he was in prison or to his wife while he was in prison, up to the membership.

Mr. Hoffa, it seems to me that what we are confronted with here is a question of right and wrong. I do not care if 100 bishops vote in favor of a position that is wrong, that does not make the position right.

And I do not care if membership for one reason or another within a local by vote cast, votes to retain a man who is a convicted extortionist, or votes to pay him money while in prison, I do not think that such action is either right or conducive of the job that obviously needs to be done in the Teamsters Union.

Voting does not determine what is right and wrong; not in our society, not in our government, nowhere.

We do not let a man's sentence in a community depend upon his popularity, if he has been convicted of wrongdoing. The law governs.

Now, it seems to me that if you are going to get this job done in the Teamsters Union, it is going to take a very different attitude than the one that you displayed here before this committee.

Mr. HOFFA. May I answer you, Senator?

Senator CHURCH. Surely.

Mr. HOFFA. Senator, I don't agree with you. If you will look back over the history of this country, on the question of elected officials to public office, you will find that the voting procedure of the history of this country will determine and has determined the question of whether or not an individual may or may not hold an office after a conviction.

I don't think it is beyond reasoning to believe that an individual could make a mistake and an honest mistake.

I don't believe it is beyond reasoning that an individual who is an officer of the Teamsters International Union or a local union is convicted of a crime, and after a period of years if that individual decides to run for a public office, or he decides to run for a Federal office, I don't know of any law in this country, and I don't think you know of any law in this country, that keeps him from having a right as an American citizen from running for public office.

Neither do I believe, and neither will you be able to prove, that the citizens, the voting citizens of a community, the same as the voting members of a union, do not have the right, the sole right, in my opinion, of determining who represents them and how they are represented.

If you will look at the history of the United States Congress, you will find that there have been individuals——

Senator CHURCH. Now, Mr. Hoffa.

Mr. HOFFA. That there have been individuals served here after a conviction——

Senator CHURCH. Just a minute. I understand. You have given your reasons. I told you why I disagreed with the attitude you are taking.

I have sat here in this committee and I have listened to the most flagrant cases of abuse, of manhandling, of violence, of crime.

You yourself have read a long list of people who have been officers at one time or another, and many of whom remained officers, who still are officers, some of whom have been convicted by the courts.

Mr. Hoffa, I am saying that the attitude that you are taking, in my opinion, is not an attitude of the kind that is required to get the cleanup job done in the Teamsters Union.

That is my opinion, and I think that it is one that is well substantiated on the evidence that has been before this committee.

Mr. HOFFA. Senator—excuse me.

Senator CHURCH. I do not need to have a lecture from you on morals or on the history of the United States. I know the history of the United States and I do not regard you as an authority on morals.

Mr. HOFFA. Senator, may I say to you that you have never expelled a man from the Congress of the United States until he has exhausted his final appeal. I don't know where you get the right to lecture me on anything other than the rules that you have.

Senator IVES. Mr. Chairman, I would like to point out a few matters to Mr. Hoffa.

The CHAIRMAN. All right, gentlemen, if you are going to argue politics——

Senator IVES. This isn't politics. We are getting back now to some fundamentals.

I would like to remind Mr. Hoffa of his record to date, which is not what one would call exceedingly impressive.

Mr. HOFFA. My personal record, Senator?

Senator IVES. Wait a minute. You have not heard what I have to say.

While I have commended him, in some ways, for what he has been endeavoring to do to straighten his situation out, I want to remind him of the following:

Mr. Hoffa tried to fix this committee staff.

Mr. HOFFA. I beg your pardon?

Senator IVES. You heard it.

Mr. HOFFA. What did you say?

Senator IVES. I said you tried to fix the committee staff. You got off, but you had no business getting off.

Mr. HOFFA. Would you explain?

Senator IVES. Yes. One of our own staff members. You remember it as well as I do. You have two convictions in your background. You misused union funds, according to the records we have. You have supported, you have been supporting convicted crooks for years. You have hired convicted burglars, robbers, and narcotics pushers. You know that as well as I do.

Mr. HOFFA. I don't know anything about narcotics pushers.

Senator IVES. They have been in the union anyway.

Mr. HOFFA. They have not been in my union.

Senator IVES. They have been in the Teamsters. I don't know if it is yours or somebody else's local. There are individuals on the Teamsters officers lists who have exhausted their appeal, who are still on the list. You read them this afternoon, some of them.

Mr. HOFFA. Excuse me.

Senator IVES. All you do is make excuses. Now, really, I listened to you. You have not done, really one effective thing to clean up this mess.

I admit that what you have been doing turns in that direction and is helpful. That I commend you on, to the extent you have done it.

But to actually do something to clean it up, you have not.

The CHAIRMAN. All right. Proceed, Mr. Kennedy.

Mr. WILLIAMS. Mr. Chairman, this was not a question that Senator Ives posed to the witness, but he did make a statement.

The CHAIRMAN. Just a moment. Would you care to say anything, Mr. Hoffa?

Mr. HOFFA. Yes, sir, if I may, please.

I would like to say to Senator Ives that I don't deny that I have two convictions. But likewise, I would like to have the record clear that both of those convictions arose out of labor disputes, one an assault and battery case, where a 6-foot individual thought he could whip Hoffa, and attempted to do it, and found out he could not do it.

In another instance where I was involved in a violation of a State labor law that had never been clarified by the courts, and, finally, out of the court case came a misdemeanor trial, which developed purely and simply out of labor.

I have not been convicted of any of the questions involving misappropriation of funds.

In an antitrust case, an antitrust case arising also out of the question of union activities by Mr. Thurman Arnold, which was in my opinion, the decision was the *nolo contendere* plea, and in addition to that, I may say that I don't have any narcotic pushers.

I want the record clear from my local union on my payroll, in 1929, which I was the chief officer of.

I don't agree with you, Senator, that I don't have a right as an American citizen to be found innocent by a jury, because it doesn't please certain people in the country.

I have a perfect right to be found innocent, I hope, as an American citizen of this country, and I should not be criticized, in my opinion, for doing whatever was necessary during the course of that trial to be able to prove that I was not guilty, even though certain individuals on this committee, one individual, did his utmost to convict me of something that the jury found me innocent of.

(At this point Senator Church retired from the committee room.)

The CHAIRMAN. Mr. Hoffa, if you are referring to the chairman—

Mr. HOFFA. No, sir; I am not. I distinctly—

Senator IVES. If you are referring to me, the same thing stands.

Mr. HOFFA. No, sir; I am referring to Robert Kennedy.

Senator IVES. Robert Kennedy is not the committee.

The CHAIRMAN. Just a moment. I take the responsibility for what he did, all of it. I make no apology.

Senator IVES. And I stand back of it.

The CHAIRMAN. Whenever anyone undertakes to tamper with a member of this staff, we are going to use the processes of law to try to protect the committee. Make no mistake about that.

All right, Mr. Kennedy, proceed.

Mr. KENNEDY. Just in connection with that, Mr. Hoffa, where did you get the money that you paid to Mr. Cheasty?

Mr. WILLIAMS. Just a minute.

Mr. HOFFA. May I talk to my counsel, please?

Mr. CHAIRMAN. Yes, sir.

Mr. WILLIAMS. Mr. Chairman.

The CHAIRMAN. We will go into that.

Mr. KENNEDY. I am not going into the merits of the case. I want to find out where he got the money.

If he paid money for a legal fee, or whatever reason he paid him, I would like to find out where he got the money. We couldn't find it in any of the books and records.

Mr. WILLIAMS. Mr. Chairman, I don't think this witness has to sit here and hear verdicts of guilty pronounced upon him by a regulative committee when a court has fully tried this case and a jury acquitted him. I don't think it is proper to retry that case here. I object to this line of inquiry. I object to the last question propounded.

The CHAIRMAN. Just a moment. The last question propounded would be strictly within the purview of this committee, if it came out of union funds.

The Chair will direct the witness to answer the question.

Mr. HOFFA. The question sir? What was it?

Mr. KENNEDY. Where the money came from that was paid to Mr. Cheasty?

Mr. HOFFA. I said in my testimony that it came out of a drawer in my office, and Mr. Cheasty said that it came out of a drawer in my office.

The CHAIRMAN. That is not the question——

Mr. HOFFA. Just a moment, sir. I will answer it.

The CHAIRMAN. Answer this: Whose money was it?

Mr. HOFFA. I was going to answer that. I made a statement that it came out of—I believe I said a revolving fund.

The CHAIRMAN. Belonging to the Teamsters?

Mr. HOFFA. Moneys that had been accumulated out of expense accounts that I had had, that I had not used, and I kept in my office. I believe that is my testimony. That is the best of my recollection.

The CHAIRMAN. The only question is: Is it the Teamsters money?

Mr. HOFFA. It could have been; yes, sir.

The CHAIRMAN. Well, could it not have been?

Mr. HOFFA. I don't believe so, sir, because it was, in my opinion, money that had not been used which was originally intended for expense money, but had not been returned, but kept as a cash revolving fund, I believe, sir.

The CHAIRMAN. Was any of it ever entered on the books?

Mr. HOFFA. I believe—do you mean how did it get there to the revolving fund, sir?

The CHAIRMAN. Yes. As an expenditure of union money.

Mr. HOFFA. I believe you will find from time to time that in the union books there are checks——

The CHAIRMAN. I am not talking about whether the union books are collected.

Mr. HOFFA. I said checks——

The CHAIRMAN. Was this payment to Cheasty entered on the books of the union?

Mr. HOFFA. No, sir.

The CHAIRMAN. Thank you.

Senator IVES. Mr. Chairman, I have a question there. I have always been interested in the answer to this question.

I would like to know who paid Joe Louis' expenses when he stayed at the Woodner during the trial? Does anybody know that?

Mr. HOFFA. I think you will have to ask Joe, but I believe from the newspaper accounts that one of our fellows advanced some money to him. I don't know whether he paid them back or not.

And Joe Louis didn't receive, to my knowledge, any money for being in Washington. He was here on other business and dropped in to see me as a friend.

Mr. WILLIAMS. Senator, I will be glad to give you some information on that, because I would like to lay that old chestnut to rest once and for all.

Senator IVES. I wish you would.

Mr. WILLIAMS. If you would feel it would serve some legislative purpose to know that, I will be glad to tell you what the fact is.

Senator IVES. I think all of this serves a legislative purpose, every single bit of it.

The CHAIRMAN. Just a moment now. If we are going into that, Mr. Williams will have to be sworn. I had not thought of this question coming up, but when counsel asks the question and there was objection to it, the Chair had to rule, as to whether this committee had any jurisdiction or whether it was pertinent to the inquiry. The question would be that money came out of union funds. That is all the committee is interested in, and he said that it did.

Mr. KENNEDY. And the money came from local 743 of the Teamsters, of Chicago.

Senator IVES. Thank you.

The CHAIRMAN. All right, proceed with your inquiry.

Mr. KENNEDY. Mr. Hoffa, just on this list, there is a number of names that are missing from it. Your own name is not here, for one.

Mr. HOFFA. I don't consider myself in the class of placing it on that paper, because I am here to answer the questions in person. I answered Senator Ives. It is a matter of record. So it isn't deleted from that statement.

Mr. KENNEDY. Mr. Owen Bert Brennan's name is not on this list.

Mr. HOFFA. Where was Mr. Owen Bert Brennan convicted? Would you tell me?

Mr. KENNEDY. I have it here.

Mr. HOFFA. Tell me where. I want the conviction, if you please.

Mr. KENNEDY. The violation of the antitrust law in 1940, December 26.

Mr. HOFFA. What was the plea, may I ask?

Mr. KENNEDY. I don't know. He was fined \$1,000 in 1949, conspiracy—1946 conspiracy, and he was placed on 2 years' probation by the judge.

Mr. HOFFA. I will be very happy to place it there, Mr. Kennedy, and I will include it in the list we are making an investigation on, and I will likewise—

Mr. KENNEDY. Place your own name on the list?

Mr. HOFFA. I will place my own name in the record, under oath, as I have a few minutes ago. It is a matter of record.

Mr. KENNEDY. It wasn't on this list.

Mr. HOFFA. And I don't intend to put it there.

Mr. KENNEDY. You just put other people's names?

Mr. HOFFA. I put them there because they do not happen to be here present to answer personally the questions.

Mr. KENNEDY. We have here quite a few others, for instance, from local 107, they are not contained on this list as organizers.

Mr. HOFFA. I don't know of any, Senator McClellan, from 107 that was in the record we didn't place there. If there is, we will place them there, if you will give up the names, sir.

The CHAIRMAN. I will tell you what we will do in order to expedite it. The staff will check this list against our records, whatever we have, and we can make the comparison and put it in the record.

Mr. HOFFA. I wonder if we can have that list, sir, so we can bring you back a copy. It is the only one we have at this moment.

The CHAIRMAN. You may.

Mr. KENNEDY. I have four just from Philadelphia alone.

Mr. HOFFA. If you will give them to us, Senator, we will likewise check that out.

The CHAIRMAN. I will have the staff check the whole thing and make a comparison. You may have the benefit of it.

Mr. KENNEDY. As far as this list of 16 names that not now or never were members, officers, representatives, or agents of the Teamsters Union, I don't believe the staff of the committee stated that any of these individuals were members of the Teamsters Union.

Mr. HOFFA. You tried to insinuate, and if you will read the record it will speak for itself, that they had some influence or control over the Teamsters Unions, and they were associates.

Mr. KENNEDY. Yes; I agree with that.

Mr. HOFFA. And they were associates of the Teamsters Unions, trying to infer to the general public that we were a controlled organization.

Mr. KENNEDY. No; I agree that they had some relation with the Teamsters. For instance, A. Harvill and W. Harvill that you have down here were hired down in St. Louis. I think we developed that. You have Herman Prujansky, John Dioguardi, Angelo Meli. We have gone through these people's connections with the Teamsters Union. If you want to clarify it; that is correct.

Mr. HOFFA. Senator McClellan, that isn't a correct statement, according to the record. It just isn't fair to place that into the record.

Mr. KENNEDY. Place what in?

Mr. HOFFA. The statement that they were hired. You show me, if you will, where John Dioguardi was hired by the Teamsters Union in any capacity.

Mr. KENNEDY. I didn't say that. I said A. Harvill and W. Harvill were hired down in St. Louis by the Teamsters Union.

Mr. HOFFA. That likewise isn't correct. If I remember the testimony correct, and I was here, they were hired by the taxicab industry.

Mr. KENNEDY. And paid by the Teamsters Union.

Mr. HOFFA. And reimbursed by the Teamsters Union—just a moment, please—to the taxicab company, not to the individuals.

Mr. KENNEDY. The individuals were paid out of Teamsters Union funds. They were hired through Mr. Joe Costello, the taxicab owner in St. Louis, Mo., and paid out of Teamsters Union funds. And that is in connection with the Teamsters Union.

Mr. HOFFA. The record that is being built here is built on what somebody would like to think, not upon the evidence.

The CHAIRMAN. The record is already made under oath. We can examine it and determine about these matters.

Mr. HOFFA. Thank you, sir.

May I have the privilege of going through the record and correcting the statement of Mr. Kennedy from the record?

Mr. KENNEDY. There is nothing to correct.

The CHAIRMAN. Mr. Kennedy says they were hired by the head of the cab company, and the cab company was reimbursed out of union funds; is that incorrect?

Mr. HOFFA. No, sir; but it isn't the story, and that is why I would like to have the privilege, if I may, of being able to go through the record and give you a correct interpretation of the record of actually what transpired in that situation, and not leave the record on the basis that the Teamsters Union hired these individuals or had any way of

knowing that these particular individuals were the ones going to be reimbursed by the Ace Cab Co.

The CHAIRMAN. I didn't know that you knew that they were hiring this particular individual beforehand—I mean the Teamsters Union—but obviously they were reimbursed or the Teamsters Union was paying whoever was hired in that instance.

Mr. HOFFA. I don't disagree with you that we reimbursed the cab company. I would like to have the privilege of putting in the record what actually transpired.

The CHAIRMAN. You review the record then and we will go into it further if necessary, and proper, but in the meantime let us proceed.

Mr. KENNEDY. Then do you know on this list any other individuals, Angelo Meli, Paul Dorfman, John Bitonti, who received a loan from the Teamsters?

Mr. HOFFA. May I ask, Senator, in what connection, by a man having a loan from the Teamsters Union, how it can be inferred he has control of the Teamsters Union?

The CHAIRMAN. I am not going on with this all afternoon. Let me say this to you: Whenever you go to lending money to people who may be known thugs, crooks, and criminals and so forth, it raises eyebrows. You know it and I know it.

Mr. HOFFA. It may very easily.

The CHAIRMAN. All right.

Mr. KENNEDY. Officers and employees, but no longer associated with the Teamsters in any capacity. There are some 32 individuals here, Mr. Hoffa, and I find, looking over quickly, that all but five of these individuals were people that you brought in, either into the Central Conference of Teamsters or, through your efforts and the efforts of Mr. McNamara, into the Eastern Conference; namely, the people that were brought into the so-called paper locals.

That, Mr. Hoffa, is the reason that you are not going to get rid of these people. It is not what you have said to the committee. You cannot get rid of these people.

Mr. WILLIAMS. I object to further lectures, and I think he should ask the question.

Mr. KENNEDY. Isn't that correct? Isn't that the main reason that you are not going to be able to get rid of these people, Mr. Hoffa, because you brought them in and you are dependent on them in the Teamsters Union, you are dependent on their support?

Mr. HOFFA. Well, I will not agree that that is correct. You cannot prove that it is correct, and you never will prove it is correct, and you haven't proved now that it is correct.

Mr. KENNEDY. I think these records, and these hearings that we have had in the Teamsters Union, prove that unequivocally it is correct and that is why you haven't moved against one person.

Mr. HOFFA. That is your opinion and I have mine.

The CHAIRMAN. I have one question.

Mr. WILLIAMS. May I for the record say that I object to this form of colloquy, and obviously it has no purpose here legislative in nature, for counsel to undertake to castigate the witness. If he has any questions, he ought to put the question, and let the witness answer if it is germane to a legislative purpose. But it serves no useful purpose to listen to this kind of a colloquy and argument.

The CHAIRMAN. We will undertake to ask questions and to ask questions we have to sometimes predicate them upon what we think or what the interrogator thinks the records reflect. Now, that, of course, is quite proper, as counsel knows. Certainly it is a pertinent question to ask him if that is the reason why you do not get rid of these people, because you brought them in.

Mr. HOFFA. The answer is, "No, that is not correct."

The CHAIRMAN. You have answered "No." All right.

Proceed.

Mr. KENNEDY. Well, the list of course, Mr. Chairman, is incomplete and we hope they are going to correct it.

The CHAIRMAN. That will be returned and I have directed the staff to make comparisons with the record and show what it lacks being complete, if it lacks completeness. Let us proceed.

Mr. HOFFA. May I say that I will be happy to report back to this committee in writing or otherwise, the classification we would place those individuals in if we have left them off the list, and what we intend to do about it.

The CHAIRMAN. There is one thing, Mr. Hoffa, the only thing I thought of asking you about. I am not familiar with it enough to interrogate you about the whole list, but you mentioned the Kierdorfs on the list. They didn't get out of the union on account of any union action against them, did they?

Mr. HOFFA. Herman Kierdorf resigned from this union, and as I told Senator Ives, it doesn't make any difference how a man gets off the payroll. The question is, Did he get off?

The CHAIRMAN. Wait a minute.

Mr. HOFFA. I think we got him to resign from this union.

The CHAIRMAN. I think it makes a lot of difference. He was retained until this tragic incident happened.

Mr. HOFFA. Senator, I think it isn't correct. He had tendered his resignation prior to the problem that arose in Flint.

The CHAIRMAN. It had not been accepted?

Mr. HOFFA. Yes, sir; it had been accepted.

The CHAIRMAN. You may be correct, and I am just recalling the record.

Mr. HOFFA. Details were being worked out in regard to relieving him from his responsibilities. He had already been relieved of responsibilities, but the money problems involving his pension and involving his automobile were being worked out prior to the incident which took place in Flint.

The CHAIRMAN. You may be correct, but my recollection is that he was still with the union, and the union had taken no action against him.

Mr. HOFFA. I don't want you to think, Senator, I had taken action against him. I did not file charges. I simply called him in and discussed the matter after his appearance here, and he relieved himself of any official capacity with our international union. I know that happens all of the way down the list, because again I must say to you, Senator, and I know you are sincere in trying to clean up the labor movement, that if individuals are removed I don't think that you are concerned how they are removed, I think that you are concerned with the fact they are not here any longer.

The CHAIRMAN. Primarily we are concerned about their being removed where they are in a position of trust, and where there is every indication they are unworthy of that position, and we think the primary responsibility rests upon the union itself.

Mr. HOFFA. I will accept it. I will accept the responsibility.

The CHAIRMAN. To give it the attention that it deserves to clean up.

Mr. HOFFA. You will have to leave that to my judgment, Senator.

The CHAIRMAN. Well, I don't necessarily have to, to form my own opinion.

Mr. HOFFA. I am not saying that, I want to withdraw that and say if you want me to be responsible you will have to leave it to my discretion to be able to do it in such a way that it doesn't disrupt any part of the Teamsters Union. I certainly am not trying to infer that other.

The CHAIRMAN. I think that you will agree with me, Mr. Hoffa, that there is a cleanup job needed in the Teamsters Union.

Mr. HOFFA. I think we are doing an excellent job.

The CHAIRMAN. You think there is one needed? From the time this committee started and its revelations, don't you agree that a cleanup job is needed?

Mr. HOFFA. It would have come about without this committee.

The CHAIRMAN. Well, now, that is a self-serving statement, possibly.

Mr. HOFFA. I think it is.

The CHAIRMAN. But do you agree that one was needed when this committee started to work?

Mr. HOFFA. I believe that certain individuals should have been relieved of certain responsibilities regardless of whether the committee was here or not.

The CHAIRMAN. Then do you admit there was a need at the time it began, whether you give the committee any credit or not for helping you?

Mr. HOFFA. I think we will all have to agree that there was a need to do certain things in this international union, which I hope that all of us together can do, Senator.

The CHAIRMAN. Now, then, you are getting to where we see eye to eye on the thing.

All right, proceed.

Mr. KENNEDY. Mr. Hoffa, have you taken any action against any individual yourself so far?

Mr. HOFFA. I have filed charges and sent a committee into Philadelphia to make an investigation, as I told Senator Ives I would do in circumstances like this, and I have also removed Feldman from the payroll according to the request of the monitors, based upon suggestions from them. I have removed him from the payroll, and I attempted to remove Bolling and Smith, and was restrained by the court, and I am going to attempt to follow out the necessary actions to do what is for the best of this international union.

Mr. KENNEDY. Have you taken any action where you were not requested to take action by the monitors? Have you initiated any action on your own?

Mr. HOFFA. I will leave the record speak for itself, and you draw your conclusions as to how these people got off.

Mr. KENNEDY. I am not going to draw a conclusion, and just want the facts from you. Have you taken any action in any area against any individual where you were not requested to do so by the monitors?

Mr. HOFFA. I have taken the necessary action that I think is proper under the constitutional provisions of our constitution, and I don't have the right to just remove people from the payroll at will.

Mr. KENNEDY. The answer is "no"?

Mr. HOFFA. No, the answer isn't "no", and the record will speak for itself, and the names I submitted to you.

Mr. KENNEDY. All right, just tell me, or answer the question, have you taken any action against any individual?

Mr. HOFFA. The answer is "Yes".

Mr. KENNEDY. Where?

Mr. HOFFA. I told you, Feldman, Cohen, Smith, and Bolling.

Mr. KENNEDY. Where you were not requested or where it was not suggested that you do so by the monitors?

Mr. HOFFA. I don't necessarily need the monitors to tell me how to run my business. I have here a list which I submitted to this committee, sir, and No. 3 is former employees or officers but no longer associated with the Teamsters in any capacity, and now those individuals left the Teamsters. That isn't necessarily that I filed charges but they left the Teamsters, and more will leave the Teamsters.

The CHAIRMAN. Mr. Hoffa, the question is now, Have you taken any action against any of these people without your first having been requested to do so, or such recommendations having come from the monitors?

Mr. HOFFA. Senator, I can't say that I have for this reason: The monitors knowing my action try to capitalize on it by writing letters as rapidly as I try to do things, to accept what they think is their job of running this international union.

The CHAIRMAN. In other words, they get the letters to you before any action is taken?

Mr. HOFFA. That is right.

The CHAIRMAN. After they think you have initiated it?

Mr. WILLIAMS. I think we may be dealing with semantics here. If counsel means legal action within the purview of the constitution, that means one thing.

The CHAIRMAN. I do not mean legal action. I mean action within the union. That is within the union's power and authority, and within his power and authority as president of the union.

Mr. KENNEDY. Under section 5(a).

Mr. WILLIAMS. That is my point, Mr. Chairman, whether he means, or whether he has called these people in and asked them to resign, of course, that is action. Whether it is legal action within the purview of the constitution is another thing and I am not sure whether the question means action of any character, whether it is the filing of charges, or the inviting of the people in to discuss resignation. I construe that to be action.

The CHAIRMAN. The Chair has in mind, and I assume that is what counsel has in mind, that is my impression, any action that is within his power, his authority, and the purview of responsibility in the position he occupies. I was not talking about going down swearing out

a warrant for them. I am talking about within the framework of the union constitution and his responsibilities thereunder.

Mr. HOFFA. Yes, sir.

The CHAIRMAN. All right. Proceed.

I believe you answered that you start things and then the monitors recommend?

Mr. HOFFA. Yes, sir.

The CHAIRMAN. After they find out that you started it; that is your testimony?

Mr. HOFFA. Yes, sir.

The CHAIRMAN. All right, proceed.

Mr. KENNEDY. Is it not correct that in all the recommendations of the monitors so far that the Teamsters representative on the monitors' board has voted contrary?

Mr. HOFFA. I will have to let Mr. Williams answer that, Senator McClellan, because our counsel handles the problems between the monitors and our international union. I don't associate with the monitors as a general rule, because most of the questions are legal questions, and we have competent attorneys to handle those problems.

The CHAIRMAN. That question can be determined if we find it pertinent, from the record of the monitors themselves or from one of their member witnesses, which we may have at some time before we close.

Proceed.

Mr. KENNEDY. I would like to go ahead now and discuss some of the uses of union funds, Mr. Chairman.

The CHAIRMAN. All right. Proceed.

When was it, Mr. Hoffa, that you and Mr. Brennan entered the arrangement with a fellow named Davidson, promoting him as a professional boxer? When was that, do you recall?

Mr. HOFFA. I think I have the information, if I can check it.

(The witness conferred with his counsel.)

The CHAIRMAN. It is already in the record. I was trying to be accurate.

Mr. HOFFA. I have it here somewhere. If you can give it to me, it would save me looking up the record.

Mr. KENNEDY. I think it is the end of 1952.

The CHAIRMAN. I am not sure of that. That is why I thought you might recall.

Mr. HOFFA. I have it here somewhere, but I can't locate it offhand.

The CHAIRMAN. The record will reflect it.

When was it that locals 299 and 337 set up a Teamsters athletic fund? Do you recall that?

Mr. HOFFA. No, sir; I do not.

The CHAIRMAN. How did you set it up?

Mr. HOFFA. Well, I wouldn't know, offhand. I will tell you why, Senator.

Bert Brennan handled the end of the athletic fund. He wanted me to agree to put, I believe, \$5,000 into the fund. I agreed that local 299 should put \$5,000 in. Brennan—Brennan and I were, either one or both of us could sign the checks. I believe it only took one signature. Brennan handled the situation from start to finish. I can't tell you about it, Senator.

The CHAIRMAN. What was his position at that time?

Mr. HOFFA. Brennan?

The CHAIRMAN. Yes.

Mr. HOFFA. President of local 299.

Just a moment, excuse me, sir—337.

The CHAIRMAN. You were president of 299?

Mr. HOFFA. Yes, sir.

The CHAIRMAN. Was this action taken with the approval of the executive boards of the two unions?

Mr. HOFFA. The executive board has given me the authority to expend the money of our local union for the good and welfare of our union, and I would have to say that they did agree to it by giving me the authority to carry out that action.

The CHAIRMAN. In the broad, general terms, but not specifically?

Mr. HOFFA. That is correct, sir.

The CHAIRMAN. Now, when you set up that fund, did you use any of it for this private enterprise of promoting Davidson?

Mr. HOFFA. Senator, I can't answer that, because I haven't the knowledge to give you the truthful answer.

The CHAIRMAN. We have two bills that possibly need some explanation. I think you would agree that it would hardly be proper to take union Teamster funds and promote a fighter for the benefit of Mr. Brennan and you.

Mr. HOFFA. Unless he was working with some of the amateurs that I believe Brennan was working with in promotion of boxing and some other sports activities. If it was tied in there, I wouldn't think so, but if it was specifically, I would have to agree with you.

The CHAIRMAN. I don't recall any of his testimony about working with amateurs, do you?

Mr. HOFFA. I think you will find that there was some amateur shows, I am not sure, but I believe in Mr. Kennedy's statements there was some thinking to that effect.

The CHAIRMAN. I present to you two bills here, apparently paid by the union out of this fund, one in the amount of \$112.41, dated November 18, 1952, and the other dated August 28, 1953, in the amount of \$51.12. I will ask you to examine those bills and state if you know anything about them.

(Documents handed witness.)

(Witness conferred with his counsel.)

Mr. HOFFA. Senator, I can't help you, sir. This is made out to Bert Brennan. He apparently handled the situation and I can't help you.

Mr. WILLIAMS. The bill, I think, is helpful, Senator, in that each of the items is for a considerable quantity of articles.

The CHAIRMAN. Well, let us see them.

Mr. WILLIAMS. Such as 12 T-shirts and 3 headgears.

The CHAIRMAN. These invoices may be made exhibit 170, A and B. (Documents referred to were marked "Exhibits 170-A and 170-B" for reference and will be found in the appendix on pp. 15326-15328.)

The CHAIRMAN. The first item on the first bill, November 18, 1952, is two pairs of training gloves, totaling \$27.

Next is three headgear, totaling \$29.58.

Next is three bag gloves, totaling \$13.50.

Next is speed bags, two, totaling \$22.06, and four skip ropes, at \$6.32; two swivels at \$5.32.

Later there is another headgear at \$5.36. The bill, with tax, totals \$112.41.

The second one, dated August 28, 1953, the first item is 3 headgear, \$35; 12 T-shirts, \$4.70; 6 sweat socks, \$2.70; hand rope, \$3.35; 6 cans of tape, \$3.35; 1 hand rope, 95 cents. The total, less the percentage, is \$51.12.

The question is: Were you spending union money for these items?

Mr. HOFFA. Well, I would assume, Senator, from the billing, that the Teamsters must have paid the bill, but I believe also the committee has the canceled checks of the athletic fund, which could reflect whether or not it was paid out of that fund.

The CHAIRMAN. So do we have the canceled checks?

Mr. BELLINO. Yes. I don't have them right here available but they were paid out of joint council 43. On that particular one, joint council 43 Teamsters athletic fund.

Mr. HOFFA. Very conceivably it could be, and it could be likewise for what I stated, Senator. But I am quite sure you will find in the record that there was some question about amateur fighters.

The CHAIRMAN. You do not know whether you have checks for these items or not, do you?

Mr. BELLINO. They never produced any, but we have the bank statements and we find the items charged on the bank statements.

The CHAIRMAN. Now, I present to you a check dated February 10, 1955, an original check signed by Bert Brennan, made out on the Teamsters athletic fund in the amount of \$5,000, to cash. I present this check to you and ask you if you know anything about it.

(Documents handed witness.)

Mr. KENNEDY. And here are the bank statements.

(Documents handed witness.)

(Witness conferred with his counsel.)

Mr. HOFFA. Senator, I believe Mr. Bellino, or one of his assistants, checked the safe deposit box of 337, and I believe there was \$5,000 cash in that box which probably was the result of cashing this check.

The CHAIRMAN. In whose name was the box?

Mr. HOFFA. Local 337, I believe, sir. I am quite positive.

The CHAIRMAN. In the name of local 337?

Mr. HOFFA. Just a moment, sir. May I check with the counsel? Somebody mentioned something else to me.

The CHAIRMAN. Yes.

(The witness conferred with his counsel.)

The CHAIRMAN. The check may be made exhibit 171.

(The document referred to was marked "Exhibit 171" for reference and will be found in the appendix on p. 15329.)

Mr. HOFFA. I am quite certain, Senator, and the record will have to be checked, I think Mr. Bellino knows that it was in 337's box, cash money.

The CHAIRMAN. Is that Mr. Brennan's box?

Mr. HOFFA. Yes, sir.

Well, it would be the local's box. Mr. Brennan is president, yes.

The CHAIRMAN. It was under his local?

Mr. HOFFA. Local.

The CHAIRMAN. Is there anything further, Mr. Kennedy?

Mr. KENNEDY. Yes. This is a \$5,000 check taken from the athletic fund February 10, 1955. What was the reason for that, Mr. Hoffa?

Mr. HOFFA. You will have to ask the individual who drew the check, Mr. Kennedy.

Mr. KENNEDY. That is Mr. Owen Bert Brennan and we do not have much luck with him.

Mr. HOFFA. You will have to ask him.

Mr. KENNEDY. Locals 337 and 299 put up the money from which \$5,000 was taken. I am trying to get an explanation as to why \$5,000 was taken out of this fund.

Mr. HOFFA. You wouldn't get the explanation from me, because I don't have it.

Mr. KENNEDY. This is part of your money, local 299's money, Mr. Hoffa.

Mr. HOFFA. I have every confidence in the world that the money is secure, it is in a safe deposit box, and if I have any share of it coming back, local union 299 will get its share of the money.

Mr. KENNEDY. There is \$5,000 in the safe deposit box in 1958, but what was the reason for taking it out on February 10, 1955, \$5,000 in cash by Owen Bert Brennan?

Mr. HOFFA. I think you will have to ask Mr. Brennan.

Mr. KENNEDY. We have asked Mr. Brennan and he takes the fifth amendment on all matters so far.

Mr. HOFFA. Then I can't help you.

Mr. KENNEDY. This is some money over which you have some authority, Mr. Hoffa, \$5,000 of union funds. Would you not give us any explanation for this?

Mr. HOFFA. Mr. Kennedy, I think the explanation is that the money is secure, it is in a safe deposit box if my information is correct, and I believe Mr. Bellino can verify it out of his investigator's report.

Therefore, I see nothing unusual about the fact that a check was cashed and the money was secured for the local union in a box.

Mr. KENNEDY. We do not know. There is \$5,000 in 1958. If there was going to be \$5,000 put in the box when this check was cashed some 3 years before, there would be no reason to take it out of a bank account and put it in a box at that time. This transaction does not make any sense.

Mr. HOFFA. Many things——

Mr. KENNEDY. Don't make any sense?

Mr. HOFFA. Looking backward may not make sense to you. But I imagine that Mr. Brennan had some reason for placing it in the box. That reason I cannot give you.

The CHAIRMAN. Mr. Hoffa, let me ask you: According to our records, or what we have been able to find from the records, \$2,805.29 out of this fund was transferred back to the general account of the Teamsters in November 1957.

Mr. HOFFA. To both local unions, Senator?

The CHAIRMAN. All I have here is transferred back to the general account. Which account?

Mr. BELLINO. I think it was 299, but I am not certain. It was one of them.

The CHAIRMAN. It was transferred back to one of the locals. I am really not sure which one.

I wish you would check the records and be able to supply that information.

That apparently was the balance out of one of the \$5,000. Now, if this particular fund was being liquidated and the money repaid at that time, the balance that was left of it, why would this \$5,000 still be retained in the safe deposit box somewhere?

Mr. HOFFA. Senator, I don't have the answer for you.

The CHAIRMAN. Is there no one we can get that answer from, so far as you know, except Mr. Brennan?

Mr. HOFFA. I would question whether anyone except Mr. Brennan would have the information, sir.

The CHAIRMAN. Has this \$5,000 been returned to general account?

Mr. KENNEDY. We don't know what has happened to this \$5,000, Mr. Chairman.

Going into the safe deposit box in the last 3 weeks, there is \$5,000 in the safe deposit box. But we don't know if it is connected with this or some other matter. This is a \$5,000 check of 3 years ago.

The CHAIRMAN. Whose safe deposit box is the \$5,000 in now?

Mr. KENNEDY. I believe 337.

The CHAIRMAN. That is Mr. Brennan's union?

Mr. HOFFA. Yes, sir.

The CHAIRMAN. What I did not understand about it, assuming that you had started this enterprise, as you say, and then it folded up, and apparently it did because in November 1957 there was transferred back to the general account of 299 the \$2,805.29, the balance of that \$5,000, or of \$5,000. But this \$5,000 still remains, so far as the union records are concerned, unaccounted for.

Mr. HOFFA. Apparently, Senator, the only thing I can gather from what you are reading is that they spent a little better than \$2,000, charged it to 299, refunded the balance of our \$5,000 to our general fund, and Brennan apparently—I don't know if he closed the account or not, but he certainly must have drawn a check for \$5,000, and placed the money in their box. I can't give you the reason why. I don't have it, Senator.

The CHAIRMAN. If it was a joint enterprise between the two locals, you should only have to bear one-half of the expenditure, your local.

Mr. HOFFA. That is right. I better talk to Brennan. I will.

The CHAIRMAN. Yes, you have a little problem here.

Mr. HOFFA. About a thousand and some dollars coming.

The CHAIRMAN. If you can get him to talk.

Mr. HOFFA. I will.

The CHAIRMAN. You can make him?

Mr. HOFFA. I will.

The CHAIRMAN. I wish you would give him a good going over and tell us about it.

Mr. HOFFA. I will attempt to find out where 299's money went, if there is some question about it.

The CHAIRMAN. It seems to us that your local was shortchanged, as it stands now.

Proceed, Mr. Kennedy.

Mr. KENNEDY. We have some more transactions to ask Mr. Hoffa about.

The CHAIRMAN. Mr. Hoffa, I have a photostatic copy of a check in the amount of \$2,000, dated July 26, 1954, drawn on the International Brotherhood of Teamsters Local Union No. 299, payable to the Commonwealth Bank, \$2,000. It bears your countersignature of approval. Can you examine that check and identify it, please, sir?

(Document handed witness.)

(The witness conferred with his counsel.)

Mr. HOFFA. Mr. Chairman, it is a check of 299, but I would have to check the ledger book to determine what the \$2,000 was for. I would have no way of knowing, offhand.

The CHAIRMAN. You would not know about it? It is a photostatic copy of one of your checks?

Mr. HOFFA. Yes, it certainly seems to be 299.

The CHAIRMAN. That check will be made exhibit 172.

(The document referred to was marked "Exhibit 172" for reference will be found in the appendix on p. 15330.)

Mr. HOFFA. I think in all fairness, Senator, Mr. Bellino must have checked the check. I would like the ledger page number to save me going through all the thousands of pages.

The CHAIRMAN. I wanted to get the check identified. Then we will get the explanation.

Mr. KENNEDY. That was to the Commonwealth Bank for \$2,000, Mr. Chairman.

Mr. HOFFA. What was the date again, Senator?

The CHAIRMAN. The date of the check is July 26, 1954. On the same date, the bank issued its check to Gene San Soucie in the amount of \$2,000. I present this check to you for observation and ask you if you can state whether you have any knowledge of the connection between the two transactions.

(Document handed witness.)

Mr. HOFFA. Senator, I would have to again check the ledger. I can't recall from memory the transaction.

The CHAIRMAN. I hand you a signature, apparently. Who is Mr. F. Collins?

Mr. HOFFA. Secretary-treasurer of local union 299.

The CHAIRMAN. I hand you here an application to the bank for a bank money order, check No. 6799.

Is that the check number? Apparently it identifies that same check. This order for the check is apparently signed by Mr. Collins on the same date, and is in order to get the check from the bank. Would you examine that and state if you recognize that as Mr. Collins' signature on the order to the bank to write the check.

(Document handed witness.)

(The witness conferred with his counsel.)

Mr. HOFFA. I believe that is Frank Collins' signature. Again I say I can't determine what the \$2,000 was used for without checking the book of our union.

The CHAIRMAN. We probably will have some information about it. But this is just to get these before you so we will know what we are talking about. The check may be made exhibit 172-A, and the order for it 172-B.

(Documents referred to were marked "Exhibits 172-A and 172-B" for reference and will be found in the appendix on pp. 15331-15332.)

The CHAIRMAN. Proceed.

Mr. KENNEDY. Were there any transactions with Mr. San Soucie during this period of time, Mr. Hoffa?

Mr. HOFFA. I don't know this particular time, but I imagine we had several transactions with San Soucie over a period of years.

The CHAIRMAN. The thing about this is why, if you had a transaction with San Soucie, wouldn't the check just be made to San Soucie instead of following this devious way of getting money into somebody's hands?

Mr. HOFFA. I can't explain it at this moment. I am sure our books following through would explain it, but I can't explain it at the moment.

The CHAIRMAN. That is the trouble we run into in a number of places. We find these transactions running circuitous routes to get money into somebody's hands and the books do not give the explanation.

Mr. HOFFA. I recognize that.

The CHAIRMAN. That is one of the problems that we think may require legislative attention, to require accurate and truthful accounts to be checked.

Mr. HOFFA. I think we can find an answer to this problem by checking the books all the way through the transaction.

The CHAIRMAN. Well, we will look into it, and you give it some thought in the morning.

Mr. HOFFA. We will try to find out tonight.

The CHAIRMAN. Is Mr. Collins here as a witness?

Mr. KENNEDY. No, but we will need him.

Mr. HOFFA. I would say that any check that Collins drafted would only be drawn if I told him to do so.

The CHAIRMAN. You call Mr. Collins and have him come in so we can interrogate him.

The committee will stand in recess until 10:30 in the morning.

(Whereupon, at 4:35 p. m., the committee recessed, to reconvene at 10:30 a. m., Tuesday, September 16, 1958.)

(Members present at the taking of the recess were Senators McClellan and Ives.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

TUESDAY, SEPTEMBER 16, 1958

UNITED STATES SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D.C.

The select committee met at 10:30 a.m., pursuant to recess, in the caucus room, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding:

Present: Senator John L. McClellan, Democrat, Arkansas; Senator Frank Church, Democrat, Idaho; Senator Irving M. Ives, Republican, New York.

Also present: Robert F. Kennedy, chief counsel; Paul Tierney, assistant counsel; John J. McGovern, assistant counsel; Carmine S. Bellino, accountant; Pierre E. Salinger, investigator; Leo C. Nulty, investigator; James P. Kelly, investigator; James Mundie, investigator; John Flanagan, investigator, GAO; Alfred Vitarelli, investigator, GAO; Ruth Y. Watt, chief clerk.

The CHAIRMAN. The committee will be in order.

All right, Mr. Kennedy, you may resume.

TESTIMONY OF JAMES R. HOFFA, ACCOMPANIED BY COUNSEL, EDWARD BENNETT WILLIAMS, GEORGE FITZGERALD, AND DAVID PREVIANT—Resumed

Mr. KENNEDY. Mr. Hoffa, we were talking yesterday first about the \$2,000 check made payable to the Commonwealth Bank, signed by Frank Collins, and then I believe a cashier's check in the same amount, \$2,000 from the Commonwealth Bank to Gene San Soucie. I do not have all of the documents here, but those are the documents I believe that were placed in the record, and we were asking you the explanation of that transaction.

Mr. HOFFA. Since yesterday we have had an opportunity to check the books and they reflect the following:

Check 6013, July 26, 1954, payable to Commonwealth Bank, new car Plymouth, amount \$2,000, in cash book column, telephone car and transportation.

Account No. 11, automobile account, cashier's check was No. 6799. This automobile was bought, if you want the explanation of why it was bought I can give it to you.

Mr. KENNEDY. In summary, what does that mean, there was a car bought?

Mr. HOFFA. There was an automobile apparently purchased for \$2,000, which was a Plymouth automobile, and placed into the records of the union showing that it was a purchase of a Plymouth automobile. This is the notation that Mr. Bellino had in his possession.

Mr. KENNEDY. Why was an automobile purchased for Gene San Soucie?

Mr. HOFFA. I will tell you. This wasn't purchased for San Soucie, now that I can think about it. I checked Gene last night and he was kind of sketchy on it, but I think I can give you the background very quickly.

Certain car manufacturers had decided to deliver automobiles by the dealers coming in and driving their own automobiles out, rather than delivering them by truck with union drivers as they previously had delivered the automobiles. We discussed it at great length, and I recommended to our membership that I be permitted to use my own discretion as to how to whip this situation. So, I decided to get a movie camera and follow an automobile from Detroit to Indianapolis, taking a picture that registered the amount of speed, and by having the picture show the way the automobiles were driven, with the intentions of having the picture made and a house trailer parked in front of the dealer, and open it to the public and have the public have an opportunity to view the driving of the automobile that had been driven by the dealer, and then to go on TV and radio and announce that the public were buying used automobiles and not new automobiles.

We then decided to purchase one of the automobiles that was driven down to Indiana so that we could use that as an automobile on display for that purpose. We had San Soucie, from what I can gather now from piecing it together, and pieced together pretty rapidly, we had the automobile purchased by cash so that if we became involved in a lawsuit we could probably become involved in the dealer trying to show that he had a right to drive these cars and trying to probably prevent us from showing the picture. So we bought the car in cash. That apparently pieces together what happened.

We would have the car in such a way that we would have been able to own it and yet not show a check that purchased the car until we got through with the lawsuit. That is apparently the explanation.

The CHAIRMAN. A lawsuit was contemplated?

Mr. HOFFA. We expected one.

The CHAIRMAN. For what reason?

Mr. HOFFA. Because we were going to advertise in front of the dealer, Senator, that the automobiles driven from Detroit to Indianapolis constituted a used automobile and not a new car, and that the public was being defrauded on the basis that a supposedly new car, which had over 300 miles on it already, was nothing more than a used car.

The CHAIRMAN. What impact would that have, whether you paid cash or paid by check for the car? What impact would that have on a lawsuit?

Mr. HOFFA. We wanted to have San Soucie to be in a position, from what I can gather from San Soucie and talking to our office about this question, of being able to say that he went in and personally purchased this car as a normal buyer would purchase a car.

The CHAIRMAN. He wasn't going to disclose that he purchased it as an agent for you; that was a part of the scheme?

Mr. HOFFA. Yes, sir.

The CHAIRMAN. I see. All right.

Mr. HOFFA. Then he would be a private citizen, in a lawsuit.

The CHAIRMAN. Who is Gene Soucie?

Mr. HOFFA. He is the president of the Indiana Conference of Teamsters, and I believe the president or secretary of 135, and I don't know which it is.

The CHAIRMAN. Who took title to the car?

Mr. HOFFA. Well now, that I don't know. I think, from what I can gather now—we are having it checked in the secretary of state's office—I believe the car was bought in his name and later transferred, after our trouble was over, to 299, and I think that is what happened.

The CHAIRMAN. How did you enter it on your checkbook?

Mr. HOFFA. Under the column dealing with the telephone, car, and transportation account No. 11, automobile account.

The CHAIRMAN. How did you enter it on the stub of the check when you bought it?

Mr. HOFFA. The stub of the check says "Purchase of a Plymouth car."

The CHAIRMAN. Do you recall how you first entered it on the books?

Mr. HOFFA. No. What I am stating now, Senator, is what I gathered from Grosberg who came here this morning to look at the check stub. I haven't seen the stub myself, but he said eventually, there may have been organizational expense at first, but eventually it came into the question of an automobile or a Plymouth.

The CHAIRMAN. I hand you here a photostatic copy of the original check stub, and you can see if you identify it.

(A document was handed to the witness.)

Mr. HOFFA. I identify as check No. 6013, an originally listed check as original expense \$2,000, and then "New car Plymouth," and apparently the "New car Plymouth" was placed there after the potential lawsuit was over and we had adjusted our differences, and received the title to the car in our own local union's name.

The CHAIRMAN. That check stub may be made exhibit 172-c. The check and application have been made 172-a and b and this may be 172-c so that they can be retained together.

(Document referred to was marked "172-C" for reference and will be found in the appendix on p. 15333.)

Mr. HOFFA. We were able to maintain the employment for the truck-drivers by the method that we used in convincing the dealer that the public wouldn't generally like to know that they were buying used cars instead of new cars.

The CHAIRMAN. Were you ever threatened with a lawsuit about it?

Mr. HOFFA. It didn't get that far, Senator. Once they realized what we were doing, and it got back to the factory and the dealer was called in and it was adjusted and there was no problem.

The CHAIRMAN. Do we have any record of a car being purchased at that time.

Mr. KENNEDY. We are checking the cars now. You say the car definitely was returned to local 299?

Mr. HOFFA. Yes, I understand it was returned to 299 after being in the name of San Soucie, and he don't know whether he put it in his name or some other name, but eventually it went in to 299 and then was resold.

The CHAIRMAN. I would think if you were trying to make a coverup there of the transaction, you would put the title in his name.

Mr. HOFFA. I think we would, too, and I think it would be there, Senator.

The CHAIRMAN. I think that that is what we will find.

Mr. HOFFA. As a private citizen; yes, sir.

The CHAIRMAN. Proceed.

Mr. KENNEDY. How long afterward did that happen? Did Mr. San Soucie say he transferred it to local 199?

Mr. HOFFA. He said it was his belief he had transferred it to 299, and I talked to our office, and they in return told me that the car had been transferred.

Mr. KENNEDY. Who in your office told you that?

Mr. HOFFA. I talked to Frank Collins.

Mr. KENNEDY. He told you that?

Mr. HOFFA. It is his belief that the car was transferred, and the unfortunate part about it, when I say "he believed," the records are here and we don't have copies, so we have to go from memory on the entire transaction because Mr. Bellino has our records.

The CHAIRMAN. Do you have any records of this car transaction?

Mr. BELLINO. We have no records of that nature, and there never were turned over to us any records of car purchases.

Mr. HOFFA. That is correct. The check itself shows there was a car purchased by the check number that is there, and I think if Mr. Bellino will take time, he will find in the books that the automobile was sold, and it was sold and the money that was gained from the sale was placed back into the local's books. I am quite sure you will find that.

The CHAIRMAN. We will direct the staff to search the records.

Mr. HOFFA. I think the car was sold to Raymond Watson, Senator.

The CHAIRMAN. I don't know whether the books are here. The records will show the title.

Mr. HOFFA. If we can get the day the car was sold, we can check with the secretary of state in Michigan and be able to run back the title to the car to the present owner. I think you will find that the car presently is owned by Raymond Watson.

The CHAIRMAN. The records we have here would not show that, and it would take further investigation.

Mr. HOFFA. But the entry of the money that was placed in the books for the resale of the car will show that, Senator.

Mr. KENNEDY. Was the car ever used for this purpose?

Mr. HOFFA. It wasn't necessary. We gained our point by the preparation we had planned, and the publicity that was attracted to it, and we gained our point of keeping the automobiles on trucks rather than be driven by the employer by scab labor.

Mr. KENNEDY. Did you make public the fact that you were going to do this?

Mr. HOFFA. Certainly, that is part of the operation.

(Present in the hearing room: Senators McClellan, Ives, and Church.)

Mr. KENNEDY. That you were going to do this?

Mr. HOFFA. That is part of the operation. That is how you gain the point you are trying to make.

Mr. KENNEDY. I thought you explained that the reason you did it through a cashier's check was that you wanted to keep it secret.

Mr. HOFFA. We don't have to say we are going to do it, Mr. Kennedy. You have individuals make comment and it gets into the newspapers and it serves the purpose of the Teamsters Union getting into the picture.

Mr. KENNEDY. What good does it do going through the cashier's check and hiding the transaction in your own record, if it was made public and everybody knew about it?

Mr. HOFFA. I didn't say that.

Mr. KENNEDY. Everybody knew it and that is why you did not have to follow through on it?

Mr. HOFFA. That is correct.

Senator—

Mr. KENNEDY. Could we have the record read back please?

Mr. HOFFA. Read it back and see what I told you. It is all right with me. You will see that I didn't say it.

If you want me to straighten the record out, I will do it.

Mr. KENNEDY. Would you read back—

Mr. HOFFA. Read all the way back, if you will, please, since we started the discussion. You will find in there that I said that it was placed in San Soucie's name. The manufacturer finally straightened it out, and that we ourselves let it be known to the public as to what was going to be done.

When I say we, I don't mean the Teamsters Union, but people we had who put the information out the way we wanted it.

You will find I made the statement in the record. Check it.

Mr. KENNEDY. Mr. Hoffa, wouldn't it have been easy to trace this back, as you say? If it is going to be publicly known that this was going to be done by the Teamsters and Mr. Gene San Soucie was a Teamster official, wouldn't that be easily traced back to the Teamsters?

Mr. HOFFA. It could be traced back, but it would be a lawsuit against San Soucie and would not be a lawsuit against the Teamsters local union or myself or an official of the Teamsters.

It would be an individual citizen.

The CHAIRMAN. The only thing in this is if Mr. San Soucie was a high official in the union, and he was acting in any capacity in demonstrating cars or what might happen to union members under certain operations, it seems that all of his accounts would be imputed to the union anyhow.

Mr. HOFFA. Our attorneys are part of it, and many times they have ways of arranging things which when they finally get into court seems to work out.

The answer to it was that we were instructed that this was the way to do it and we did.

The CHAIRMAN. O.K. Proceed.

Mr. KENNEDY. Just on that, Mr. Hoffa, if he was questioned about it, he was going to say this was his own car.

Mr. HOFFA. It was a purchase as an individual car, for himself.

Mr. KENNEDY. And with his own money?

Mr. HOFFA. I don't know what he would say about that. He would probably say he borrowed the money. I don't know what he would say.

The CHAIRMAN. That he borrowed it?

Mr. HOFFA. And it could be worked out.

Mr. KENNEDY. You mean just a little lie, a little white lie?

Mr. HOFFA. A little lie. Just like the committee or anything else, you try to get information to accomplish the purpose you are after on the basis of what is right and wrong.

Mr. KENNEDY. You mean you could tell this lie?

Mr. HOFFA. No lie.

Mr. KENNEDY. That is what you were going to do?

Mr. HOFFA. No; it isn't.

Mr. KENNEDY. Was Mr. San Soucie going to say this was union funds used to purchase this car for this purpose?

Mr. HOFFA. He could very easily have said that it was a loan and he borrowed the money.

Mr. KENNEDY. Did he?

Mr. HOFFA. The books show it was made out to him.

Mr. KENNEDY. Did he borrow the money?

Mr. HOFFA. He had the money. I could have made the loan to him, if it became a question.

Mr. KENNEDY. I am asking you whether you set up the——

Mr. HOFFA. I set it up deliberately to avoid a lawsuit. Let's put it on the basis of where it belongs.

Mr. KENNEDY. Mr. Hoffa, in the last 5 minutes, you have unveiled exactly what you are.

Mr. HOFFA. I don't care what you think we are. I am telling you what we did. The record will show what we did, and then it doesn't bother me what you think.

The CHAIRMAN. Let's proceed. The record is made.

I present you another check, Mr. Hoffa, a photostatic copy of the check, made payable to local 299 in the amount of \$11,000, dated December 14, 1953. It seems to be drawn on local 299.

Will you examine this check and see if you identify it, please?

(Witness conferred with his counsel.)

Mr. HOFFA. It is a 299 check, sir, and I identify it as such, 299's check.

The CHAIRMAN. It may be made exhibit 173.

(Document referred to was marked "Exhibit No. 173" and will be found in the appendix on p. 15334.)

The CHAIRMAN. I do not know just what the significance of it is, but why is the check made out from local 299 to local 299?

Mr. HOFFA. I believe the check was drawn on cash and cash money.

The CHAIRMAN. You drew it out and made it payable that way, and drew out \$11,000 out of the treasury?

Mr. HOFFA. I believe so. It looks like it from the check, Senator.

The CHAIRMAN. Who is this Frank—is that Frank Collins, secretary-treasurer, who endorsed it?

Mr. HOFFA. Yes, sir, secretary-treasurer.

The CHAIRMAN. Proceed.

Mr. KENNEDY. This is dated December 14, 1953, \$11,000. Did you give the instructions to draw this check?

Mr. HOFFA. It was drawn; I did.

Mr. KENNEDY. Well, I believe it was drawn, don't you, from an examination of the check?

Mr. HOFFA. Every check that is drafted, I approve.

Mr. KENNEDY. Did you give instructions for the drawing of this check?

Mr. HOFFA. I probably did.

Mr. KENNEDY. What did you do with the \$11,000? Was it turned over to you?

Mr. HOFFA. I don't know if it was, or not. I can't recall that far back. The only thing, the only check I can remember of any large amount of money that we had to cash was a loan to Jerry Connelly.

Mr. KENNEDY. How much was that for?

Mr. HOFFA. Either eleven or fifteen thousand dollars. I don't know which. One of the two.

Mr. KENNEDY. That would not have been this check; would it?

Mr. HOFFA. It could have been.

Mr. KENNEDY. Wouldn't that have been listed in the records as a loan to Jerry Connelly?

Mr. HOFFA. Not necessarily.

Mr. KENNEDY. Was the money that you gave to Jerry Connelly a loan to him?

Mr. HOFFA. The only large amount of money that I can recall that a check was drawn to cash was upon my instructions, and it was for the purpose of making a loan to Jerry Connelly.

Mr. KENNEDY. Was that what this was for?

Mr. HOFFA. If that is the check, and I can only remember one check of that size that was drawn to cash, except the one that was drawn to the attorneys and put in the box.

I think the check stub would reflect what it was for, Senator, if you had a check stub.

The CHAIRMAN. Mr. Hoffa, if that was a loan to Jerry Connelly—Connelly was secretary-treasurer of the local; was he?

Mr. HOFFA. Connelly was secretary-treasurer of a local union in Minneapolis.

The CHAIRMAN. Secretary-treasurer of another local?

Mr. HOFFA. In Minneapolis.

The CHAIRMAN. And your local was making him a loan of \$11,000?

Mr. HOFFA. For organizational purposes.

I am quite positive, Senator, that this would be the check, because I can only remember two large checks made to cash out of 299 during the period of time back that I can recall.

So I would assume, since I know what the last check was, that this would probably be the check dealing with the question of a cash advancement to Connelly in Minneapolis.

Mr. KENNEDY. That doesn't say anything on the stub. It doesn't mention Jerry Connelly.

Mr. HOFFA. If I could see it, maybe we would know what we are talking about.

The CHAIRMAN. I present you the stub of the check, a photostatic copy of it, for your identification, please.

(Witness conferred with counsel.)

Mr. HOFFA. Wasn't the check in 1954, sir?

The CHAIRMAN. You may compare them.

(Document handed to witness; the witness conferred with his counsel.)

Mr. KENNEDY. That doesn't say—

The CHAIRMAN. That photostatic copy of the stub may be made exhibit 173-A.

(Document referred to was marked "Exhibit 173-A" and will be found in the appendix on p. 15335.)

Mr. KENNEDY. Mr. Hoffa, that makes no mention of Gerald Connelly; does it?

Mr. HOFFA. Very conceivably it doesn't. But there is a little OK on there. You will note that it states J. R. Hoffa OK'd it. Do you know that?

Mr. KENNEDY. Examine it again.

The CHAIRMAN. He said it doesn't.

Mr. KENNEDY. He said very conceivably it doesn't.

Mr. HOFFA. I said that it doesn't. There is nothing on here except—let's get it real clear, if you want it that way—"OK J. R. Hoffa."

Mr. KENNEDY. Right.

Mr. HOFFA. And then it says "Cash on hand."

The CHAIRMAN. Mr. Hoffa, that is what gives us concern, the protection of union money, union dues, and the way it is handled, as well as welfare and pension funds. This committee has arduously examined many, many accounts, union records, and so forth.

Too frequently we find these coverup transactions, where the record does not reflect the true transaction.

It does give us concern. I think the records of a union should be kept, the financial records, so that those who examine them may be enlightened as to what the expenditures are made for.

We have two right here in front of us this morning. You may have your own ideas about it, and think that that is the way to run a union. Some of us think that is not a very good way. We have one check here for \$2,000. You issued it so that the fellow later could swear it was a loan if he needed to, although it was not, and according to your testimony it was actually to purchase a car for the union.

Now, we have this transaction of \$11,000 advanced from your union to the individual secretary of another union.

What does this say?

Mr. KENNEDY. "Cash on hand."

The CHAIRMAN. This shows "cash on hand." What does "cash on hand" mean?

Mr. HOFFA. It means that the secretary-treasurer cashed the check and had the cash in the possession of 299 until such time as I directed him what to do with the cash, Senator.

The CHAIRMAN. Did this money ever go to Connelly?

Mr. HOFFA. Jerry Connelly, sir; yes, sir; it did.

The CHAIRMAN. Where was it entered on the books as going to Connelly?

Mr. HOFFA. If Mr. Bellino will take a little patience and time, and I am sure he has a lot of both, he will find that the Internal Revenue—and he talked to the Internal Revenue people—the Internal Revenue people went into this very carefully, and they found out that

the money did go to Jerry Connelly, the money did come back to local 299, and the money did go back into the accounts of 299, and is so inserted into the books, showing the return of that money.

The CHAIRMAN. I think so, some 3 years later; is that right?

Mr. HOFFA. It could be possibly that. No, I think 2 years. Wasn't it 2 years? Two years, I think.

The CHAIRMAN. During that time there was a false record with respect to that money on your accounts.

Mr. HOFFA. No, sir.

The CHAIRMAN. Well, it doesn't show anywhere during that time that Connelly had the money, does it?

Mr. HOFFA. That is correct; it does not.

The CHAIRMAN. All right. So one examining the records would not know that your union had advanced to Connelly \$11,000?

Mr. HOFFA. You are right, sir, but by the same token the reason it was put in our cash on hand was to make us responsible to produce the money.

The CHAIRMAN. You show it as cash on hand and carried it that way, when, in fact, it is not cash on hand; it is a loan?

Mr. HOFFA. You are correct, sir, but the reason we put it there was so that we would be responsible for the \$11,000.

If Connelly did not pay it back, we would have to reimburse local 299 for the \$11,000.

The CHAIRMAN. We? Who?

Mr. HOFFA. Myself and Collins. I am the president; Collins is secretary-treasurer, and we signed the check and we would be responsible under the constitution for that money.

The CHAIRMAN. I hand you another photostatic copy of a check dated September 11 or 1; the 11th, I believe, 1953, in the amount of \$5,000, made payable to you.

That is on the Central States Conference. Will you examine that photostatic copy and see if you identify it?

(Document handed to witness; the witness conferred with counsel.)

Mr. HOFFA. I identify the check, sir.

The CHAIRMAN. Thank you. That may be made exhibit No. 174.

(Document referred to was marked "Exhibit No. 174" for reference and will be found in the appendix on p. 15336.)

Mr. KENNEDY. This is a check dated September 11, 1953, \$5,000, from the Central States Conference of Teamsters, to James R. Hoffa, and the check is signed James R. Hoffa, and H. J. Gibbons. What happened to this check?

Mr. HOFFA. The money was deposited into a bank account in Detroit.

Mr. KENNEDY. What was the name of that bank?

Mr. HOFFA. Maybe it was Commonwealth or City Bank, and I believe it was Commonwealth.

Mr. KENNEDY. What was the bank account it was deposited in?

Mr. HOFFA. I believe the Central Conference Organizing Fund. Mr. Bellino has it there, and he knows what it is.

Mr. KENNEDY. What was the purpose of the check?

Mr. HOFFA. It was money placed in the Detroit bank for me to use as I saw fit for organizational purposes, and later on I withdrew the money in cash from the bank, and I used it for organizational pur-

poses, and when I went to make out my income tax I mentioned it to Herb Grosberg and he wanted me to produce bills, and I could not produce any bills, and he told me I should pay income tax on it.

Mr. KENNEDY. You kept this money, then, did you?

Mr. HOFFA. I used the money for organizational expense, and because I didn't keep any bills, I paid income tax on it.

The CHAIRMAN. Did you deduct enough out of it to pay your income tax?

Mr. HOFFA. Unfortunately no, I got stuck pretty good.

The CHAIRMAN. You are getting stuck the way you are handling this thing, are you not?

Mr. HOFFA. Occasionally. I found the \$5,000 last night that you are talking about. It is in 299's safety deposit box, and not 337.

The CHAIRMAN. Then you had gotten it back?

Mr. HOFFA. I got it and it was there all of the time.

The CHAIRMAN. We are helping you a little bit.

Mr. HOFFA. Mr. Bellino's staff went over there 3 weeks ago and checked the books, and found the money in the books, with an envelope listed "Athletic Fund," and so it was within the knowledge of Mr. Bellino all of the time yesterday when we were trying to figure it out, and he knew where the money was.

The CHAIRMAN. We knew the money was in the box and there was not any question about it. We may have made a mistake as to which box it was in, but the point was, and is, that you paid, or one of the locals paid, all of the expense, and did not get anything back.

Mr. HOFFA. 337 paid the expense, and they have the balance of the money that went into the council and not back into 299, and it is in the council today.

Mr. KENNEDY. How could you have \$5,000 in your safety deposit box without knowing about it?

The CHAIRMAN. How would it go to the council when the local owned the money?

Mr. HOFFA. Because I understand that we decided to put it into the council, and use it in the council for any purpose we deemed necessary as a community interest.

The CHAIRMAN. O. K., proceed. I do not think that you would find any financial institution in the world run in that fashion. Do you?

Mr. HOFFA. Yes, I do.

The CHAIRMAN. The Teamsters?

Mr. HOFFA. Business generally.

The CHAIRMAN. I do not think so.

Mr. HOFFA. Business generally.

The CHAIRMAN. I do not think so, Mr. Hoffa, and I do not think that you can convince anyone else that that has happened.

Proceed.

Mr. KENNEDY. Mr. Hoffa, you had \$5,000 in your box that you did not know about?

Mr. HOFFA. I don't go to the box, Mr. Kennedy.

Mr. KENNEDY. But there was \$5,000 in there that you had no knowledge about?

Mr. HOFFA. I found out about it last night, Mr. Kennedy.

Mr. KENNEDY. For the first time?

Mr. HOFFA. No, not for the first time. I knew Mr. Bellino had had Mr. Bailey go there about 3 weeks ago, and I paid no attention to it, because I believed they went to both boxes.

Mr. KENNEDY. But you did not know that you had \$5,000 in the box?

Mr. HOFFA. It isn't my business to know, and it is the secretary-treasurer's business to keep track of the money, and he knew where it was all of the time, and he took Mr. Bailey right to where the money was.

The CHAIRMAN. This is not another afterthought like the \$2,000 check, so that you could claim it either way, is it?

Mr. HOFFA. Well, Senator, the money is there.

The CHAIRMAN. I am just taking your own words.

Mr. HOFFA. It is accounted for and if it was an afterthought or not, the union didn't suffer any loss. In my opinion, it was not an afterthought.

The CHAIRMAN. All right, proceed.

Mr. KENNEDY. What were you going to do with this \$5,000?

Mr. HOFFA. What \$5,000?

Mr. KENNEDY. The \$5,000 that you got from the Central States Conference.

Mr. HOFFA. I used it for organizing expense, an out-of-pocket organizing expense.

Mr. KENNEDY. For the Central States?

Mr. HOFFA. Or Central Conference, and all of the locals in the Middle West are a part of the Central Conference, and so whatever I used it for, and used it over a period of time, that is what it was for.

Mr. KENNEDY. Could we trace this check through, Mr. Chairman?

The CHAIRMAN. Do you have the documents?

Mr. KENNEDY. Yes.

The CHAIRMAN. Do you have the documents with respect to the \$5,000 check that has been made exhibit No. 174?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. Where did you procure the documents?

Mr. BELLINO. These are from the City Bank in Detroit.

The CHAIRMAN. All right, you may testify regarding it.

Mr. BELLINO. First is a certified copy or resolution reading:

I hereby certify that I am secretary of Central States Organization, an unincorporated society, that the following is a true and correct copy of resolutions duly adopted at a meeting of the society held on the 29th day of September 1953.

The CHAIRMAN. Go ahead and let me see. I do not understand this "society" business.

Mr. BELLINO (continuing):

A quorum of the members being present, and that the same are now in full force and a copy of the resolution, be it resolved that the City Bank, Detroit, Mich., be, and it hereby is, designated a depository of this society. Be it further resolved that any one or more of the persons authorized hereby to withdraw funds deposited hereunder be, and they hereby are, authorized to enter into in behalf of the society with said bank the contract set forth and the specimen signature cards provided by said bank for use with respect to any account or accounts of this society provided for hereunder.

Be it further resolved that the funds of this society deposited in said bank may be withdrawn upon checks, drafts, notes, or other orders of this society when signed.

The only signature is that of James R. Hoffa, chairman. This resolution is dated September 30, 1953, and it is signed by Frank Collins as secretary.

It is further certified to by Mr. Hoffa saying that:

I, the undersigned, an officer of said society, hereby certify that the foregoing is a correct copy of resolutions adopted as above set forth.

According to this it is Central States Organization.

The CHAIRMAN. Central States Organization?

Mr. BELLINO. Central States Organization, that is the full name of the unincorporated society.

The CHAIRMAN. Is it termed a "society" in that document?

Mr. BELLINO. No, it just says, "Central States Organization," that is the full name of it.

The CHAIRMAN. Of what society? You used the word "society."

Mr. BELLINO. In the resolution, this is a resolution of an unincorporated society.

The CHAIRMAN. The resolution used the term "society," the resolution authorizing the depository, and also the withdrawals from it?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. Now, that document and the signature document that you have may be made exhibit 175 and 175-A.

(Documents referred to were marked "Exhibits 175 and 175-A" for reference and will be found in the appendix on pp. 15337-15338.)

The CHAIRMAN. Now, Mr. Hoffa, what is this society?

Mr. HOFFA. Senator, after discussing this with counsel, I think he can answer it better than I can.

Mr. WILLIAMS. This is just a standard form issued by banks for resolutions of unincorporated societies.

The CHAIRMAN. Let me get this from the witness. I do not mind counsel advising the witness, and explaining to him the aspects of it.

Was there any such thing as a society, Mr. Hoffa?

Mr. HOFFA. Senator, I don't know what the word is doing there. It is probably a form, but it was our organization, part of the Teamsters, and there was no society.

The CHAIRMAN. In other words, this is a form that the bank uses, is that correct?

Mr. HOFFA. That is correct.

The CHAIRMAN. For unorganized societies, where it is just an association of people; is that correct?

Mr. HOFFA. That apparently is what it is for.

The CHAIRMAN. So you put this money in there not as Teamsters' money, but as an unorganized society money?

Mr. HOFFA. No, sir; that isn't correct. The money went in as a Teamsters' Union, but because of the form it is pointed out it was a society, an unincorporated society, and we simply followed the procedure of the bank.

The CHAIRMAN. Why could you not put that in the regular union account and draw out the money as you needed it? Why did you have to take it out and put it in a separate account?

Mr. HOFFA. This money here, Senator, this was not local 299 money; this was Central Conference money and it came to Detroit. Instead of placing the money into local 299's normal and regular bank account, we established a new bank account and deposited the \$5,000 in that

bank account, keeping it separate from the general funds of local 299, under the name of Central States Organization. It is listed here at the top.

The CHAIRMAN. Proceed. I do not understand all of the ramifications of it.

Mr. KENNEDY. Who was in the Central States Organization?

Mr. HOFFA. The local unions that are chartered in the Middle West.

Mr. KENNEDY. Are they all members of the Central States Organization?

Mr. HOFFA. I am talking about the Central States Conference of Teamsters.

Just a moment now, and you asked a question and let me answer it.

Mr. KENNEDY. I am asking you what the Central States Organization is, and not the Central States Conference, I know what that is.

Mr. HOFFA. It speaks for itself.

Mr. KENNEDY. What is the Central States Organization?

Mr. HOFFA. What it talks about.

Mr. KENNEDY. Who are members of that?

Mr. HOFFA. The Central States Organization, that is it.

Mr. KENNEDY. Is there anybody in it except Mr. Hoffa and Mr. Collins?

Mr. HOFFA. The Central States Organization was a bank account that came about by a \$5,000 check being drawn on the Central States Conference of Teamsters, and sent to Detroit, to myself, to be deposited and be used for organizational expense as I saw fit to use the same. So it was placed in the bank under the title "Central States Organization," so that we could have a designated name to be able to draw a check on that account.

Mr. KENNEDY. There is no such organization as the Central States Organization, except as this bank account exists; is that correct?

Mr. HOFFA. That is correct.

Mr. KENNEDY. And the only people that were members of it or subscribe to it were yourself and Frank Collins?

Mr. HOFFA. Of course that isn't correct.

Mr. KENNEDY. Tell me who else was in there? I am just talking about the Central States Organization, Mr. Hoffa.

Mr. HOFFA. I am saying to you that as the chairman of the Central Conference of Teamsters, when this bank deposit was made, it was made by myself as Central States Conference chairman, and I put it into this title, "Central States Organization" account so that I could draw checks, and it represented all of the local unions and in fact the Central States Conference of Teamsters.

The CHAIRMAN. Mr. Hoffa, what was your official position with the Central States Conference at that time?

Mr. HOFFA. Chairman, sir.

The CHAIRMAN. You were chairman?

Mr. HOFFA. Yes, sir.

The CHAIRMAN. Why could it not have been put in the Central States Conference account?

Mr. HOFFA. We had a Central States Conference account in St. Louis, sir.

The CHAIRMAN. You could have a Central States Conference account in a bank in any city?

Mr. HOFFA. We didn't want it that way.

The CHAIRMAN. I know it, but I said, "Why?"

Mr. HOFFA. There isn't any reason except we wanted to isolate the \$5,000 from the normal and regular account of Central Conference of Teamsters.

The CHAIRMAN. Since you had no other Central Conference of Teamsters account in that bank, would this not isolate it and it would be in a separate bank?

Mr. HOFFA. Yes.

The CHAIRMAN. It would be isolated?

Mr. HOFFA. But there would have been a confusion.

The CHAIRMAN. It would not have been mixed with other funds?

Mr. HOFFA. There could have been a confusion created by having a Central States Conference bank account in Detroit and one in St. Louis, because Harold Gibbons is the authorized secretary-treasurer of Central Conference of Teamsters, and in this instance, because the check was issued to myself to be deposited, I used Frank Collins as the secretary and the second signature to the check, if necessary.

Senator IVES. I would like to ask a question about that.

What you apparently have here is a special account, is it not?

Mr. HOFFA. That is exactly what it amounts to.

Senator IVES. I was wondering why you did not call it the Central Conference of Teamsters special account, and the effect would have been just the same and you would not have had another organization.

Mr. HOFFA. Senator, I imagine we could have called it almost anything.

Senator IVES. I guess you could have.

Mr. HOFFA. And I don't think there would be any problem of calling it that. But we just unfortunately probably did not do it—

Senator IVES. Ordinarily, when those things are set up, they are set up as special accounts.

Mr. HOFFA. We very rarely do that, Senator.

Mr. WILLIAMS. Senator, may I interject here in the interest of fairness?

This account bore the title, Senator, Central States Organization account. That is normal, standard practice. When an account is opened, the bank indicates on the resolution of withdrawal authorizing people to withdraw, the name of the account. That is why all this confusion has been engineered here, because the account was captioned "Central States Organization account."

Senator IVES. May I bring to the attention of the distinguished counsel that these are frequently set up as special accounts, and it would prevent all of this.

It would have been a much simpler way of doing it.

Mr. KENNEDY. The point is not just the fact that this was set up in this fashion. It is what happened to the money subsequently, which we will follow through. If it had just been set up like this, then we could trace the money to a source other than we did, and then perhaps this question would not have been raised.

Mr. HOFFA. You trace it. I want to see it.

Mr. IVES. O.K. They talk in there about a resolution?

Mr. HOFFA. This resolution—are you talking to me?

Mr. KENNEDY. Yes. Who was present when the resolution was passed?

Mr. HOFFA. This resolution—there wasn't anybody present.

Mr. KENNEDY. That is all.

Mr. HOFFA. This resolution here is a standard form, apparently, by the bank, and when you open an account such as this, you accept their form so you will be able to draw the money out under the authorized signature of the individual authorized to do so.

The CHAIRMAN. All right. Proceed to trace the money.

Mr. KENNEDY. Go ahead.

Mr. BELLINO. The minutes of the Central States Conference of Teamsters, the Central Conference—

Mr. KENNEDY. The one that issued the original check?

Mr. BELLINO. Which originally issued the check. You must recall the check is payable to James R. Hoffa. It is not payable to the Central States Organization; it is to James R. Hoffa. No meeting was held on September 29. Therefore, no resolution could have been prepared by the Central States to which Mr. Gibbons, who is secretary of that organization and not Mr. Collins, should have certified.

In other words, this whole resolution is a complete phoney, without any question.

Mr. HOFFA. Now, Mr. Senator—

The CHAIRMAN. This came from the Central States Conference, this check?

Mr. BELLINO. This check was issued by the Central Conference of Teamsters to James R. Hoffa, charged as an expense, and organization expense on their records. It was not set up as an asset, to indicate that a special account was opened in Detroit.

The CHAIRMAN. But it was just a check to Mr. Hoffa?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. And charged to organizational expense?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. On the books of the Central Conference?

Mr. BELLINO. Yes, sir. So it was not a special account.

The CHAIRMAN. He could put it in the bank as a special account of his own when he got the check.

Mr. BELLINO. That is what we say.

The CHAIRMAN. In other words, the check was originally issued as a final conclusion charged to organizational expense?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. And it was Mr. Hoffa's money and Mr. Hoffa's check?

Mr. BELLINO. It was given to him; yes, sir.

The CHAIRMAN. He sets it up down here under Central States Organization?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. And spends the money?

Mr. BELLINO. He takes the money.

The CHAIRMAN. Well, proceed. You say he takes the money. Let's see how it happened.

Mr. HOFFA. Senator, may I clear up one thing?

The CHAIRMAN. Yes.

Mr. HOFFA. The statement Mr. Bellino made is absolutely incorrect and is absolutely incorrect according to the testimony of Harold Gibbons. Harold Gibbons is authorized, and I am authorized by the

executive board of the Central Conference of Teamsters to draw checks from the account of Central Conference of Teamsters as we deem necessary.

The CHAIRMAN. I understand that is correct, and these things are done under that general delegation of authority.

Mr. HOFFA. Yes, sir.

The CHAIRMAN. All right.

Mr. HOFFA. There wasn't anything hid here.

The CHAIRMAN. There wasn't any special resolution about it?

Mr. HOFFA. It wasn't necessary.

The CHAIRMAN. According to your contention and Mr. Gibbons' contention, no such resolution is necessary because you have the general authority to act as you see fit?

Mr. HOFFA. Yes, sir.

Senator IVES. Mr. Chairman, may I ask a question there?

The CHAIRMAN. Senator Ives.

Senator IVES. Mr. Hoffa, as I understand this \$5,000 about which we are talking is the \$5,000 on which you paid the tax?

Mr. HOFFA. I paid tax, yes, sir.

Senator IVES. Well, if I understand the law correctly on the matter of union funds, they are not taxable. Is that not true?

Mr. HOFFA. That is correct.

Senator IVES. One of the great advantages, you know, that unions have is that the money is not taxable.

Mr. HOFFA. When you spend it and account for it in bills, yes, sir.

Senator IVES. It does not make any difference what the union spends it for. Of course, if it starts a business, the income from the business is taxable. We all know that.

Mr. HOFFA. I wish that was true, Senator. The Internal Revenue don't agree at all unless you produce the bills for the money you spend. They are just likely to disallow it and you take it as a personal expenditure.

Senator IVES. I don't know. But if this money had been spent as a union expense, actually would it have been taxable?

Mr. HOFFA. If I had produced the bills for the money I spent out of this account, it would not have been taxable. You are correct in that.

Senator IVES. Well, why did you not?

Mr. HOFFA. I am not in the habit of keeping bills, Senator, unfortunately.

Senator IVES. I know, but it has been an unfortunate proposition for you, apparently. I do not understand it, when you can easily do it that way and avoid taxes. It just does not make very much sense, does it? I know you are very bright. I learned that last year. You are terrifically capable of keeping books and keeping accounts. It just takes a little trouble.

The CHAIRMAN. Well, we are going to trace this money. Before we do, I want to ask you, Mr. Hoffa, about this. This resolution of unincorporated society, the certified copy, which you say is the bank's document, has certain blanks that have to be filled in. Mr. Collins and you certified this resolution. You start off by saying:

I am secretary of Central States Organization.

That is Collins, I assume. Now you say there is no such organization.

Mr. HOFFA. There is no such organization as Central States Organization.

The CHAIRMAN. As Central States Organization. All right.

An unincorporated society, that the following is a true and correct copy of resolution duly adopted at a meeting of the society held on the 29th day of September 1953, a quorum of members being present, and that the same are now in full force.

As I understand you now, there was no such meeting.

Mr. HOFFA. Only of Collins and myself, and that is all that could be represented by Central States Organization, Senator.

The CHAIRMAN. And you and Collins constituted what is termed here "Central States Organization?"

Mr. HOFFA. That is what it would amount to, Senator.

The CHAIRMAN. You two only. Did you and Collins have a meeting and decide to handle it this way?

Mr. HOFFA. Collins and I both signed this document.

The CHAIRMAN. All right.

Now trace the money.

Mr. BELLINO. On December 30, 3 months later——

The CHAIRMAN. When?

Mr. BELLINO. December 30, 1953. The check was deposited on September 30. It was indicated the 29th and deposited to this account on the 30th.

On December 30, a check in the amount of \$4,900 was drawn to cash and signed by James R. Hoffa, and endorsed by Frank Collins.

The CHAIRMAN. On December 30?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. What happened to the other hundred dollars?

Mr. BELLINO. The account was charged with services charges continuously from February 15, 1954, through April 10, 1957, for a total of \$27.25 services charges made against the account.

The CHAIRMAN. Wait a minute. This was September 1953, when it was deposited. Was it drawn out December 30, 1953?

Mr. BELLINO. \$4,900 was drawn out December 30, leaving a balance of \$100 in the account. Starting February 15, the bank began to charge 70 cents a month service charges.

The CHAIRMAN. That is because of the smallness of the balance, I assume?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. Some of them do that.

Mr. BELLINO. There was a total of \$27.25 charged against this account. The balance of \$72.75 was withdrawn on April 17, 1957.

The CHAIRMAN. By whom?

Mr. BELLINO. We didn't check that item further, Senator. I believe Mr. Hoffa could tell us what he did with the \$72.75.

The CHAIRMAN. Did you withdraw the balance, Mr. Hoffa?

Mr. HOFFA. I imagine I did.

The CHAIRMAN. Do you remember?

Mr. HOFFA. I don't remember, but I imagine I did, though. I must have closed the account out.

Senator Ives. Mr. Chairman, I still don't understand this service charge.

The CHAIRMAN. I think I do.

Mr. HOFFA. It is one of those things, a small account.

Senator IVES. Was that an active account? Were you drawing checks on it all the time?

The CHAIRMAN. You have never had small accounts, Senator. I have.

Senator IVES. But your accounts were active. I have had small accounts and had service charges on them, but they were active. Were any checks drawn on this at all?

Mr. HOFFA. I think the fact remains as Senator McClellan said. If you have a certain amount of money in the account, they charge you a service charge on the money and deduct it from the surplus in the bank each month.

Senator IVES. Do you mean the bank charges you to put money in it?

Mr. HOFFA. When you have a certain amount of money in the bank in certain accounts.

Senator IVES. And it is left there all the time just as is?

Mr. HOFFA. Senator, I am sure that is right.

Senator IVES. That is new banking to me.

Mr. HOFFA. I think you will find it pretty standard.

The CHAIRMAN. I think you will find if there were no checks drawn, they are not entitled to make a charge against the account, if it was not active. I guess they started making the charge, anticipating it would be active, and just continued to make it.

Senator IVES. But there were no checks drawn, apparently.

Mr. HOFFA. That is right.

Mr. KENNEDY. Mr. Hoffa, you declared this \$4,900 on your 1953 income tax returns?

Mr. HOFFA. One of the years. It must have been 1953, I imagine.

Mr. KENNEDY. If you withdrew the money on December 29 or December 30, and actually spent it on organizational work or spent it on matters dealing with the union, certainly you would know in the period of one day how you had spent it.

Mr. HOFFA. It would be between December and February, I imagine.

(The witness conferred with his counsel.)

Mr. HOFFA. Wait. There is a technical point brought up here. It may have been listed in the 1954 income tax.

Mr. BELLINO. It was reported in the 1953 income tax which should have been filed on or before March 15, 1954.

The CHAIRMAN. If Mr. Hoffa paid income tax on it, it wouldn't matter when he spent it or whether he ever spent it. It wouldn't be a question of when he spent it but a question of when it became his money, as when the tax was due.

Mr. HOFFA. It would be December 30.

The CHAIRMAN. December 30, yes.

Mr. KENNEDY. I am raising the question about this Teamster money that was charged to organizational expenses, charged to expenses being declared by you on your income tax return as your own personal money, money that belonged to the Teamsters and was supposed to be used for these other purposes.

The CHAIRMAN. The witness says the reason he did it was because he operates that way. He takes in receipts. He gets no invoices. Is that right?

Mr. HOFFA. That was the answer.

Mr. KENNEDY. Can I ask you again, how did you spend the money between December 30 and December 31?

Mr. HOFFA. Well, it didn't happen that way. The money was spent in organizational expense. Exactly for what, I don't remember. When it came time to make out the tax, we talked to the accountant about it, and he told me I should pay tax on it or produce receipts. I had no receipts. I paid tax on it.

Mr. KENNEDY. It was also declared in your 1953 income tax return?

Mr. HOFFA. That would be in February, Mr. Kennedy.

Mr. KENNEDY. But it would be income that you earned during that period of time, which would have been between December 30 and December 31. This is Teamster money.

Mr. HOFFA. What is the problem?

Mr. KENNEDY. The problem is of your declaring this money on your income tax return.

Mr. HOFFA. I explained it.

Mr. KENNEDY. Your explanation is that you couldn't come up with how you spent the money, you couldn't give any explanation on how you spent the money between December 30 and December 31?

Mr. HOFFA. I said that I didn't have any receipts and the accountant advised me to pay tax, and I paid the tax.

Mr. WILLIAMS. May we have the date on which that return was filed, Mr. Kennedy?

Mr. BELLINO. The date does not show on this copy that we have.

Mr. KENNEDY. May we have the date on which it was paid out?

Mr. BELLINO. Well, it is a 1953 return, but there is no date as to when it was made out or when it was filed.

Mr. KENNEDY. There is no notice on it that it was a late return?

Mr. BELLINO. This was produced by Mr. Grosberg, his accountant.

Mr. WILLIAMS. May we see it?

The CHAIRMAN. Yes; you may see it.

Let the counsel look at the income tax return.

(The witness conferred with his counsel.)

Mr. KENNEDY. Could I ask Mr. Bellino another question?

The CHAIRMAN. Proceed.

Mr. KENNEDY. Based on your experience as an accountant, Mr. Bellino, would the way this transaction was handled indicate any material matter to you?

Mr. BELLINO. The way this was handled I would say that he certainly could have, at March 15, estimated and given the accountant certain expenditures if he had made those expenditures, and in the absence of being able to, in that short period of time, to explain how even \$100 or \$1,000 was spent, I would say that he took that money and for that reason was willing to pay taxes on it. That would be the only reason. I, as an accountant, would have recommended that he do that also, if he could not explain in that short period of time how the money was spent.

The CHAIRMAN. It seems that is what the accountant did. The accountant told him unless he could produce receipts or evidence of expenditure for union purposes, he would have to pay income taxes on it.

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. It was, therefore, an admission on his part?

Mr. BELLINO. This would be an admission on his part that he used the money.

Senator IVES. How is that reported in the return?

Mr. HOFFA. Just exactly how the check was drafted.

Senator IVES. Just read how it was reported there, do you mind?

Mr. HOFFA. Just a moment, sir. "Central States Conference."

Senator IVES. Where is that reported on the return?

Mr. HOFFA. Right here in the income tax.

Senator IVES. May I see the income tax return? I would like to see it.

Mr. HOFFA. Yes, sir.

The CHAIRMAN. This income tax return, since it has been identified, may be made exhibit No. 176.

(The document referred to was marked "Exhibit No. 176" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. Could I ask a question?

The CHAIRMAN. Proceed.

Mr. KENNEDY. Mr. Hoffa, do you keep records or bills on your other union expenses, or do you declare them all as income?

Mr. HOFFA. If it is a hotel bill, hotel bills are turned in by the hotels, charged and turned in by the hotel, and the union pays them. If it is out-of-pocket expense, I don't keep any bills. I sign a voucher and that is all there is to it.

Mr. KENNEDY. Do you declare it all as income, then?

Mr. HOFFA. I do not.

Mr. KENNEDY. This is the only transaction you handled in this fashion?

Mr. HOFFA. The only transaction I handled in this fashion because the balance I sign vouchers for and then is drawn on regular 299 checks or central conference checks.

The CHAIRMAN. Mr. Bellino, you spoke about the \$4,900 withdrawal. Do you have a photostatic copy of the check showing that withdrawal?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. It may be made exhibit No. 177.

(The document referred to was marked "Exhibit No. 177" for reference and will be found in the appendix on p. 15339.)

Senator IVES. Mr. Chairman, before we go any further on this return, I would like to ask Mr. Hoffa a question.

Was this the \$5,000 which you listed on page 1 of form 1040 in 1953?

Mr. HOFFA. No, sir; it is on the second page, I believe, at the bottom, where it says "Central States Conference."

Senator IVES. \$4,900?

Mr. HOFFA. That is it.

Senator IVES. \$4,900. There are no deductions there at all, are there?

Mr. HOFFA. No.

The CHAIRMAN. Mr. Bellino, are these the bank statements or bank ledger sheets showing the handling of this account at the bank?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. They may be made exhibit 177-A.

(The documents referred to were marked "Exhibit 177-A" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. Was there anything else in connection with this transaction?

Mr. BELLINO. The only thing is that this item of \$5,000 was an asset of the Central Conference of Teamsters.

Mr. HOFFA. Was a what?

Mr. BELLINO. Was an asset. In other words, it was a special account put in another bank. Then at the end of the year they would have been required to have listed it as cash in bank and it should have so been reported on any financial statement they issued.

The CHAIRMAN. They have issued a check to Mr. Hoffa showing it as organizational expense, and that they paid it out for that purpose?

Mr. BELLINO. That is correct.

The CHAIRMAN. So they would not carry it as an asset after showing it as an expense.

Mr. BELLINO. That is correct.

The CHAIRMAN. Did they carry it as an asset?

Mr. BELLINO. No, sir.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Mr. Hoffa, I have some other matters that I want to ask you about. I want to ask you about the purchase of property that belonged to Mr.—

Mr. HOFFA. Excuse me a moment.

(The witness conferred with his counsel.)

The CHAIRMAN. All right, proceed.

Mr. KENNEDY. In the purchase of Mr. Paul DeLucia's home outside of Chicago, how long had you been interested in making a purchase of this kind prior to the time this home was purchased?

Mr. HOFFA. We had looked around quite a while, and thought about it. Even decided at one time we must use Jack O' Lantern for that purpose.

Mr. KENNEDY. What other homes did you look at?

The CHAIRMAN. What was the Jack O' Lantern for?

Mr. HOFFA. It was a girl's camp, Senator, and we thought that maybe we would even use that for a while. But we found out that the transportation facilities were not proper, and it was too far away.

The CHAIRMAN. All right.

Mr. KENNEDY. That is the Jack O' Lantern that was owned by you and Dorfmann and Mr. Bert Brennan?

Mr. HOFFA. That is right.

Mr. KENNEDY. You looked at other pieces of property?

Mr. HOFFA. No; I didn't. This was principally a project as I stated before, handled by Brennan, with my approval.

Mr. KENNEDY. What other pieces of property did he look at?

Mr. HOFFA. I don't know.

Mr. KENNEDY. He looked at this piece of property, down there?

Mr. HOFFA. He apparently did.

Mr. KENNEDY. Outside of Chicago?

Mr. HOFFA. He apparently did.

Mr. KENNEDY. The property was appraised, was it?

Mr. HOFFA. Well, I imagine it was, and I couldn't tell you.

Mr. KENNEDY. Do you have a copy of the appraisal?

Mr. HOFFA. I say I imagine it was, and I can't tell you, until I talk to Brennan.

Mr. KENNEDY. Should we get Mr. Brennan in so that every time you turn to him——

Senator IVES. I object to the way the witness is answering these questions. After all, when he answers our counsel, he is answering the committee in effect.

Mr. KENNEDY. I don't mind at all.

Senator IVES. You may not, but I do. I do not mind how people answer me personally, either; but after all, you have to show some respect to these Senate committees, and I do not think that you do.

Mr. HOFFA. He asked the question, should he bring Brennan in.

Senator IVES. It is your tone of voice, Mr. Hoffa, and your whole attitude that I do not like.

The CHAIRMAN. Here is the thing about it, Mr. Hoffa: We have had Mr. Brennan, have we not?

Mr. HOFFA. You have, twice, I think.

The CHAIRMAN. And he persisted in declining to answer questions.

Mr. HOFFA. That is correct, sir.

The CHAIRMAN. How are we to get the information?

Mr. HOFFA. Well, Senator, as I stated before——

The CHAIRMAN. If you cannot give it to us, and he will not talk, how are we to make this record speak the truth?

Mr. HOFFA. Senator, if you will take Mr. Adlerman's testimony, which he put into the record after very careful investigations, you will find that, in volume 4 of August 8, Mr. Adlerman put into the record a complete statement concerning the question of the estate there, and he placed into the record the complete purchase of the property.

So the committee has in effect all of the information that anybody could gain concerning this transaction, Senator.

The CHAIRMAN. Well, is our version of the transaction correct?

Mr. HOFFA. No; your version was incorrect only in one instance, and your version was incorrect to this extent:

There was a statement made here recently that all of the property that had been originally purchased wasn't in the name of the Teamsters Union. Since the testimony was placed into the record, we checked and found that it was incorrect, and that Mr. Bellino knew it was incorrect, and he has today in his possession all of the documents to prove that his statement was incorrect, sir.

The CHAIRMAN. Well, if we make an error here we want to correct it.

Mr. HOFFA. But it hasn't been placed in the record as a correction?

The CHAIRMAN. I do not know yet that an error has been made, but the point, I say, is this:

If we make an error in trying to check these records without the cooperation of the man who ought to be giving us the information, and he is unwilling to correct it, we will try to correct it if we find we have made an error, but we do need his help.

Mr. HOFFA. Senator, we produced, or at that time when you questioned Brennan, I don't think you had the documents concerning this transaction.

Since then we have turned over the complete file on this transaction, and the committee has all of the information that can be gained from anybody concerning this transaction.

I understand, sir, that they brought into Washington a man by the name of Joseph Bolger, who made a statement concerning this transaction and how he handled it with Brennan.

Now, taking the statement of Mr. Adlerman, Mr. Bolger, and the documents we presented, I don't think that there could be a more complete picture on this question regardless of who came in here to try and answer questions and clear up the situation.

The CHAIRMAN. Whether he could be helpful or not, you do not think it would be worthwhile to have him come back at the expense of the Government to interrogate Mr. Brennan?

Mr. HOFFA. Senator, Mr. Brennan has some very positive ideas of his own, and I think one of them is that he does not care to try and match wits with a situation which he feels is one which is trying to incriminate him from the outset, and therefore he feels that it would be better if there is anything wrong with any transaction that he has, to meet it in a court.

The CHAIRMAN. He would rather not meet it before the committee?

Mr. HOFFA. He doesn't believe he has a way of placing it before the committee which would give him the benefit of any answers he may make subject to questions presented which are not based upon what the committee already has.

The CHAIRMAN. All we can do, sometimes, is spend the Government's money in vain, and to have people here and ask them to cooperate. So if he will not cooperate, we may proceed.

Go ahead.

Mr. KENNEDY. I will tell you what I wanted to find out, Mr. Hoffa, and that is why this property was purchased in the first place, and what I want to find out is whether you looked at any other pieces of property, and you say it was turned over to Mr. Brennan.

I felt Mr. Hoffa also should have a responsibility, Mr. Chairman, because part of the money came from his local.

Now, this is a very, very peculiar transaction, to say the least. You were president of a local which paid out some \$75,000 in connection with the purchase of this property, then the joint council paid out some \$150,000.

Mr. HOFFA. No; it didn't. Let us correct the record.

Mr. KENNEDY. Let me finish, Mr. Hoffa. The joint council ultimately reimbursing the two locals and paying out some \$150,000 in connection with the purchase of this property, and you as president of the joint council, I would think that you would have some information on it, Mr. Hoffa. I would have thought that before you purchased some property for \$150,000 you would have had the property appraised.

The CHAIRMAN. Let me see, did the two locals purchase the property?

Mr. HOFFA. Yes, sir.

The CHAIRMAN. Originally?

Mr. HOFFA. Yes, sir.

The CHAIRMAN. After they purchased the property, you, as president, or your joint council, purchased it from the locals?

Mr. HOFFA. No, sir; the joint council has not yet purchased or, I should say, they haven't paid for the property.

The joint council has agreed to purchase the property from 299 and 337, but they have not at this moment paid any money to 299 or 337.

The CHAIRMAN. You say they have agreed. Is that a binding obligation?

Mr. HOFFA. Yes, sir.

The CHAIRMAN. They are committed, then, to purchase it?

Mr. HOFFA. Yes, sir.

The CHAIRMAN. So for all practical purposes, it has been purchased, and there is a legal obligation?

Mr. HOFFA. Yes, sir; there is.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Now, my first question is: Why, when you paid out the \$75,000 from your local, was the property not appraised? Do you have any explanation for that?

Mr. HOFFA. Maybe it was appraised.

Mr. KENNEDY. Well, there is no document in the record, and there are no documents in the Teamsters Union records to indicate it was appraised.

Mr. HOFFA. Well, did you ask Mr. Bolger, the attorney, for it?

Mr. KENNEDY. I am asking the Teamsters Union, and not the attorney for Mr. Ricca, or Mr. DeLucia. I am asking the Teamsters to find out if they had it appraised, and what other pieces of property they had appraised.

Here is the most notorious gangster in the United States, and the Teamsters Union comes along and happens to buy his property for \$150,000.

Now, we have gone out and checked it, and although this is not a complete appraisal by any means, the man who had originally handled this property said that the probable fair market value of this property is, for land and improvements, \$85,000.

Now, maybe he is wrong, but I haven't seen any evidence from the Teamsters Union that indicates that he was wrong or that you ever had an appraisal.

Did you have one, or can you give us any documents whatsoever that you had an appraisal or found out how much this property was worth?

Mr. HOFFA. Mr. Kennedy, I repeat to you that you will have to ask Mr. Brennan about the transaction, and I have every confidence in the world in Mr. Brennan having carried on his obligation of handling the transaction in such a way that it satisfies the members of our two local unions who are perfectly aware of the transaction as you well know.

Mr. KENNEDY. If you are aware of the transaction, did you ever inquire to find out if this property was actually worth the \$150,000, or if you were turning the \$150,000 over to Paul "The Waiter" Ricca because he needed it at the time he was under investigation by the Internal Revenue Department?

Mr. HOFFA. I made no inquiry concerning the property except to discuss it with Mr. Brennan, and that also I can answer you.

The CHAIRMAN. Has this letter been placed in the record—this appraisal?

Mr. KENNEDY. No, it has not, Mr. Chairman.

The CHAIRMAN. From whom did you obtain this?

Mr. KENNEDY. From this Mr. Ray J. Beahan, who had formerly handled this property, and so he was aware of the building, and the property, because he had handled the financial transaction in connection with this property when it was originally purchased by Paul "The Waiter" Ricca.

Mr. WILLIAMS. What year was that?

The CHAIRMAN. Mr. Hoffa, I read you this letter for the purpose of predicating a question on it.

The counsel for the committee requested Mr. Raymond J. Beahan to make an appraisal of this property. He replied and stated:

Mr. Adlerman, assistant chief counsel, requested in a recent telephone conversation that I write you relative to my idea of value of the Paul DeLucia property located in Long Beach, Ind., as of this date. As I understand, you are interested only in the main piece comprising eight lots with two homes and swimming pool. Without opportunity to make a thorough inspection of the property in its present state, I am able only to give an opinion based on some recent sales in Long Beach of properties somewhat typical of subject property. The probable fair market value of this property for land and improvements is \$85,000. In support of my ability to get such value, I offer the following as my qualifications:

(A) Realty and licensed broker, State of Indiana for 33 years.

(B) Twenty-five years general appraisal work for individuals, banks, estates, and so forth.

(C) Veterans' Administration since 1946.

(D) Appraiser and negotiator for J. E. Greiner Co., consulting engineers, construction of Indiana toll roads.

(E) Condemnation appraisals for PHA in Michigan City, Ind.

(F) At present under contract to Indiana State Highway Commission to inspect all appraisal work.

Now, Mr. Hoffa, this letter is dated August 9, 1958. This appraiser apparently, if his statements are correct, has considerable experience as an appraiser, and I would regard him as competent, assuming these statements he makes in the letter are correct.

He said its probable value is \$85,000.

Now, based on that, would you say that his appraisal or his idea of it is incorrect? Do you have any information that would refute his estimation of the value?

Mr. HOFFA. Senator, I am afraid he didn't take into consideration the fact that we bought the property completely furnished, and the large house, and the small house, and the lawn furniture, and everything included from the mowers to cut the grass all of the way up, I don't think he took into consideration the question, and I notice he says only some of the property, and he didn't take into consideration the total amount of property involved in the sale.

I think, furthermore, you must recognize that an appraiser generally appraises at the lowest rate he can when he wants to, and when he is opposing a sale, as against another appraiser who appraises at a higher value when he wants to get the price up to the point for his client, and, furthermore, I must say, Senator, that it isn't a question always of price.

It is a question of location. It is whether or not it is a piece of property that is desirable for the purpose that you intend to put it to work for.

The CHAIRMAN. I understand that, and I understand, too, that all of those factors might well be taken into account in appraising a piece of property.

Now, this is the only appraisal or estimate that we have so far of the value. It is the Teamsters that are spending \$150,000 for it. If it is worth it, well and good. If it isn't, then there is some reason to ask why.

So, why is there not, unless you can say definitely there is, an appraisal supplied or procured by the Teamsters before they invest \$150,000 in a piece of real estate?

Mr. HOFFA. Senator, I don't have an appraisal.

The CHAIRMAN. You do not what?

Mr. HOFFA. I don't have a different appraisal than the one you have just read off. I am not fully familiar with the entire transaction concerning the operation. I know the cost of it.

I am not in a position at this time to get whether that appraisal is a fair appraisal or not.

However, I am certain—let me put this into operation—we will get value received for our money.

The CHAIRMAN. Maybe so, but let us say you are not in a position to get whether that is a fair appraisal.

Mr. HOFFA. At this moment, no, sir.

The CHAIRMAN. But yet before finding whether the property was worth the \$150,000, you have committed the union to purchase it. In fact, the two locals have already purchased it, and now the conference is going to purchase it from the two locals at that price.

Mr. WILLIAMS. Mr. Chairman, I may have misunderstood.

The CHAIRMAN. Wait just a moment.

Is that a correct statement?

Mr. HOFFA. Excuse me for a moment.

There is no other appraisal present that I know of, and the local unions have invested the money in the property, and the joint council will purchase the property from the local unions at the purchase price, and I believe that our executive board of the two unions feel that the property for the purpose we are going to use it for is well worth the amount of money that we are putting into the property.

The CHAIRMAN. All right, Mr. Counsel.

Mr. WILLIAMS. Mr. Chairman, I haven't seen that exhibit. I heard you read it. But as I understand it, and I may be in error—

The CHAIRMAN. You may see it. I did not make it an exhibit. I can have it made an exhibit, of course, by counsel swearing to it. But I just used it as a basis of interrogating Mr. Hoffa as to whether he had any different information than what was stated in it.

Mr. WILLIAMS. I am not sure, Mr. Chairman, that it should be part of this record, either, because actually I don't see the probative value that it has. It is not an appraisal of the assets which were acquired by the Teamsters in this purchase, as I understand them.

The CHAIRMAN. Sir, I was giving him every bit of information in that letter, and giving the witness the opportunity to make any statement of explanation that he thought proper. I was not trying in any way to mislead the witness.

Mr. WILLIAMS. I know that, Senator. I know that. But I did think I should point out to you that this is an appraisal, as I understand it, of part of the real estate involved in the transaction, and none of the personalty involved in the transaction.

Mr. KENNEDY. I believe it is all of the real estate, Mr. Williams. Possibly on the furnishings, it does not include that, but I think it is eight lots, isn't it?

Mr. WILLIAMS. It says:

You are interested only in the main piece.

Mr. KENNEDY. Mr. DeLucia owns a piece of property still, as I understand it, across the street, and which, of course, would not be included. But I think it includes all the real estate that was purchased by the Teamsters. It did not include the rest of Mr. DeLucia's property. Mr. DeLucia still has property right across the street.

(Witness conferred with his counsel.)

Mr. KENNEDY. Do you want to say something further?

Mr. HOFFA. No.

Mr. KENNEDY. Mr. Hoffa, there are certain zoning restrictions regarding this property also.

The CHAIRMAN. Before we move to that, let me ask this: According to the information before the committee, this man DeLucia was in, possibly, income tax trouble at the time and was under investigation and needed money. Is there any connection between Mr. DeLucia in this transaction and the union?

Mr. HOFFA. There isn't any transaction between DeLucia at all. If you will look at the testimony, sir, that I stated the last time I was here concerning this property—and I think it has been verified by Mr. Bolger—the property wasn't in the name of DeLucia.

The CHAIRMAN. Well, it was held in trust for him.

Mr. HOFFA. It was held in trust for him. Therefore, the person we did business with was Bolger and not DeLucia. Until this committee brought out the fact that Paul DeLucia was involved in the property, I made the statement that he was not involved in it, because I had no knowledge of the fact that he was involved in it. So I can't see any connection between his problems and the sale of this property to us.

The CHAIRMAN. Did you have knowledge at that time that Mr. DeLucia was in distress with respect to his income tax and under investigation, and, therefore, needed to make the sale?

Mr. HOFFA. No. I didn't know the man then and don't know him today. I only saw him when he testified here.

The CHAIRMAN. You have never met him?

Mr. HOFFA. Only when he testified here did I see him.

The CHAIRMAN. You never had any conversations with him about this matter?

Mr. HOFFA. I did not.

The CHAIRMAN. Again, it would be Mr. Brennan?

Mr. HOFFA. I don't know whether Mr. Brennan ever met the man or not.

The CHAIRMAN. Have you ever interrogated him about that? He will talk to you, but he won't talk to us. Did he have any information about that?

Mr. HOFFA. I didn't ask him that question.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Mr. Hoffa, regarding the zoning restrictions in connection with that land, was there any attempt to have those zoning restrictions changed or a decision——

Senator CHURCH. Mr. Kennedy, I have a question before we get into that question of zoning. Just so that I am sure I understand your testimony, Mr. Hoffa, am I to understand that you did not know at the time that the locals purchased this property that it was substantially Paul DeLucia's property, that he was the beneficiary of the trust?

Mr. HOFFA. I didn't.

Senator CHURCH. You did not know this?

Mr. HOFFA. I did not.

Senator CHURCH. You said Mr. Brennan handled this transaction?

Mr. HOFFA. That is right.

Senator CHURCH. And Mr. Brennan never informed you, although such a large amount of money was involved, that this property was actually Paul DeLucia's estate?

Mr. HOFFA. Well now, if you look at the record, Senator, you will find that we did business, and on page 3179, we did business with Bolger and we didn't do any business with DeLucia, and this was in a trust, as stated by the Senator. If this committee wouldn't have brought to light DeLucia was involved in the transaction, if somebody had asked me was he involved, I would have said no, as far as I know. I would have imagined that Brennan would have said the same thing.

Senator CHURCH. I was here during the time when this proposition was first discussed before the committee. My impression was that it was generally known that this was Mr. DeLucia's estate, that his name actually appeared as an endorsement on the back of the check involved. It just seems strange to me that although technically this property was in the hands of a trustee, generally the fact was well known by all those concerned that it was Mr. DeLucia's estate. It just seems hard for me to believe that Mr. Brennan, as close as he is to you, would not have advised you that the local unions concerned were not, in fact, purchasing property that belonged to a notorious gangster. But you say that you did not know this?

Mr. WILLIAMS. Mr. Chairman, and Senator, may I say to you, and I think that you are under some confusion here, Mr. Paul DeLucia is more well known and I think has gained considerably more notoriety under the name of Paul Ricca. That was the name that was used during the interrogation, Paul "The Waiter" Ricca. Paul DeLucia does appear on the back of the check.

(At this point Senator Ives withdrew from the hearing room.)

Senator CHURCH. We all know we are talking about the same man, whatever name we are using, because the first question put to this witness was, "What is your real name?" And he said, "Paul De Lucia," and he went on to say that he was generally known as Paul "The Waiter" Ricca.

Mr. WILLIAMS. But the thrust of your question, as I understood it, Senator, was that Mr. Hoffa should have known that DeLucia owned this land, a notorious criminal. It may have been that he should have known that DeLucia owned the land, but whether DeLucia was Paul "The Waiter" Ricca was a fact that might escape anyone.

Mr. Ricca was not known as DeLucia, as I understand, until this committee unveiled him as DeLucia.

Senator CHURCH. I think that the personality involved here, by whatever name, is notorious enough to be well known, and it just

seems strange to me that this fact was not communicated by Mr. Brennan to Mr. Hoffa at the time that the two locals were putting out \$150,000 on property that they had not even bothered to get an appraisal on.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Mr. Hoffa, was any attempt made to go to the zoning board to get an interpretation of the zoning restrictions?

Mr. HOFFA. There isn't any need to go to the zoning board for a restriction change.

Mr. Chairman, that question was brought up before, and I answered the question. I answered it on this basis, that if the property is owned by the joint council or by the two local unions, and they decided to invite any given number of people they wanted to be guests at that house, there wouldn't be any reason to have any necessity to change the zoning unless you were going to make a commercial enterprise out of it, and that isn't the intention.

The CHAIRMAN. Well, the question was: Did you take any action with respect to changing the zoning?

Mr. HOFFA. No, sir.

The CHAIRMAN. All right. The answer is "No."

Mr. KENNEDY. In your testimony on page 5043, Mr. Hoffa, you stated—

Mr. HOFFA. When?

Mr. KENNEDY. In August of 1957.

Mr. HOFFA. All right.

Mr. KENNEDY. It is in the printed volume.

Mr. HOFFA. It must be the same book. It comes out of here, doesn't it?

Mr. KENNEDY. It is a different page.

Mr. HOFFA. What did I state?

Mr. KENNEDY. [reading]:

Question. That is going to be a sort of a school for the business agents and the officers?

Mr. HOFFA. That is right. If it works out properly, we will have the key stewards also attend classes.

Question. Is it a home and some land?

Mr. HOFFA. It is a home and some land, with sufficient sleeping quarters, I believe we can have some 30 or 40 people at a time in classes, and we don't think it is advisable to have more than that at a time to try to listen properly to explanations.

From the zoning restrictions, Mr. Hoffa, it would certainly appear that they would not permit the use of this kind of building for this kind of operation. The only kind of school it describes is a church, school or high school. It does not say anything about this.

What I am asking you is if before the union put out \$150,000, they went to the zoning board to determine whether this building could be used for this purpose?

The CHAIRMAN. Mr. Hoffa says they did not, as far as he knows.

Mr. HOFFA. That is correct, sir. There was no need then or now.

The CHAIRMAN. He thought there was no need.

Mr. HOFFA. That is right, sir. It is a legal question to be handled by the lawyers if it arises.

Mr. KENNEDY. Again, Mr. Chairman, I feel when this amount of money was going to be used, they would not only get an appraisal,

but check and see if the property could be used for the purpose they intended.

The CHAIRMAN. That is a circumstance attending the transaction that has its proper place for consideration.

Mr. KENNEDY. Mr. Hoffa, you made a statement about the fact that the testimony regarding your purchase of the property and the fact that only half of it was in the Teamsters name in 1956, was incorrect?

Mr. HOFFA. No, I didn't say it was incorrect. I said that Mr. Adlerman, and it is here, I believe, somewhere, made a statement that all of the property that we supposedly purchased wasn't in the name of the Teamsters Union.

Mr. KENNEDY. I believe he stated——

Mr. HOFFA. We went back and checked the record immediately and found out that there had been some laxity on the part of an attorney we had hired to do the job.

Mr. KENNEDY. Who was that?

Mr. HOFFA. I believe Paul Mayran was the man who handled it. A fellow named Prebenda handled it.

Mr. KENNEDY. Prebenda?

Mr. HOFFA. Yes.

Paul Mayran went down. There was a very insignificant mistake. He corrected the mistake, and all the property today is in the name of the Teamsters Union. It never was in jeopardy at any time of not being in the Teamsters name.

Mr. KENNEDY. You say a very insignificant mistake?

Mr. HOFFA. That is right.

Mr. KENNEDY. For 13 months, Mr. Hoffa, the Teamsters only had half of the property, and the Teamsters and Paul "The Waiter" Ricca were sharing the tennis court and the swimming pool?

Mr. HOFFA. That isn't true.

Mr. KENNEDY. Why do you say it isn't true?

Mr. HOFFA. Because I say to you that the original purchase of the property included all of the land, all of the buildings, and there was some misunderstanding as to certain lots, if I understand it correct, which were not transferred promptly into our name. But the purchase price and the purchase document covered the situation to where nobody could have, by any stretch of the imagination, demanded to receive title to the property that you are discussing.

Mr. KENNEDY. Do you say Mr. Adlerman's testimony in connection with this property, where he showed that approximately half of the property actually was transferred in 1956 and the rest of it in 1957, and that would include the part that was still in Mr. Ricca's hands of a small house, part of the tennis court and part of the swimming pool—you say that testimony by Mr. Adlerman is incorrect?

(Witness conferred with his counsel.)

Mr. HOFFA. You have a statement from Mr. Bolger, which I think will indicate——

Mr. KENNEDY. I don't have any statement from Mr. Bolger.

Mr. HOFFA. Yes, you do.

Mr. KENNEDY. Just answer the question. Is the testimony that Mr. Adlerman gave in connection with this property, that approximately half of the property had been transferred in 1956 and the

rest of it had not been transferred until after our investigation in 1957, and that this property included a small house, part of the tennis court and part of the swimming pool, is that testimony by Mr. Adlerman incorrect?

(Witness conferred with his counsel.)

Mr. HOFFA. At the time he made the statement, the abstract company had failed to carry out the original purchase arrangement. At that time——

The CHAIRMAN. Based on the record——

Mr. HOFFA. At that time he was correct to the point that the abstract company had failed to carry out their end of the purchase, and it was adjusted when it was brought to our attention, Senator.

The CHAIRMAN. All right. As of the time of his testimony, is what the records reflected true?

Mr. HOFFA. I can't agree, Senator, that it is 100 percent true, because the purchase of the property and the documents we signed gave us possession of all the property, all the land, but the abstract company, and this part of Mr. Adlerman's testimony is right, the abstract company had failed to clear all the property title to the Teamsters Union.

The CHAIRMAN. I will ask you this way: Is it not a fact that at the time the transaction was first closed, you only secured a deed to a part of the property?

Mr. HOFFA. No, sir—excuse me.

The CHAIRMAN. That was in 1956. Later, in 1957 you secured a deed for the balance of it?

Mr. HOFFA. May I talk to counsel, please? There seems to be some misunderstanding here.

The CHAIRMAN. Yes.

(Witness conferred with his counsel.)

Mr. HOFFA. May I make this statement, Senator, to clear the record: The purchase of the property included all the property and the buildings. The title, according to Mr. Adlerman's statement, was correct, that it was not cleared to come to the Teamsters Union. But at no time were we in jeopardy in losing it. We want to thank Mr. Adlerman for giving us the information so that we could properly clear the title for our local unions.

Thank you.

The CHAIRMAN. All right. So it turns out that Mr. Adlerman's testimony was correct.

Mr. HOFFA. Partially, sir.

The CHAIRMAN. All right. Let's proceed.

Mr. KENNEDY. Just a few last questions.

Was the purchase of this property by your local taken up with your executive board?

Mr. HOFFA. I have the authority, I repeat, from my executive board to spend the necessary funds in behalf of my local union for whatever is for the benefit of the local union.

Mr. KENNEDY. This specific purchase was not taken up?

Mr. HOFFA. It was not. It was under the broad terms and broad powers granted to me as president.

The CHAIRMAN. Mr. Hoffa, are we to understand that is correct, that you, as president, have authority to make an expenditure of

\$150,000 of Teamster money without anyone else approving or agreeing to it? I mean the blanket authority to do that?

Mr. HOFFA. The membership has so voted and so have the executive board, sir.

The CHAIRMAN. Both the membership and the executive board have voted to give you blanket authority, unlimited, to spend any funds in any amount that you deem personally to be in the interest of the union?

Mr. HOFFA. That is correct, sir.

The CHAIRMAN. All right.

The committee will stand in recess until 2 o'clock.

(Whereupon, at 12:20 p.m., with the following members of the committee present: Senators McClellan and Church, the committee recessed to reconvene at 2 p.m., the same day.)

AFTERNOON SESSION

The committee reconvened at 2 p.m., upon the expiration of the recess.

The CHAIRMAN. The committee will be in order.

(Committee members present in the hearing room: Senators McClellan, Ives, and Church.)

Mr. HOFFA. May I correct the record from something I said this morning?

The CHAIRMAN. All right.

Mr. HOFFA. This morning I said I thought the car was in the name of Gene San Soucie. Over the lunch period I find that the car was in the name of Byron Trefts.

The CHAIRMAN. What is that name?

Mr. HOFFA. Byron Trefts.

The CHAIRMAN. Who is Byron Trefts?

Mr. HOFFA. He is an official of 135, in Indianapolis.

The CHAIRMAN. An official of what?

Mr. HOFFA. Local 135, in Indianapolis.

The CHAIRMAN. What connection did he have with this?

Mr. HOFFA. He works under Gene San Soucie, and in the same local union, and apparently the car was placed in his name when it was purchased.

That is what we could gather this afternoon, or during the lunch period.

The CHAIRMAN. Proceed.

Mr. HOFFA. May I say, I received all of this information over the telephone, as rapidly as we could get it together, and I am sure it is correct and we will check the books again once we receive them back, or have our accountant go over them and see if there is anything questionable about it.

Mr. KENNEDY. Was that automobile used at all in connection with the State Cab Co?

Mr. HOFFA. Not to my knowledge; the car came directly to Detroit.

Mr. KENNEDY. How long before it came to Detroit?

Mr. HOFFA. I couldn't tell you that.

Mr. KENNEDY. They couldn't tell you?

Mr. HOFFA. I didn't ask them.

The CHAIRMAN. Let me get it straight. Where was this automobile purchased?

Mr. HOFFA. I think it was 1954.

The CHAIRMAN. I mean where?

Mr. HOFFA. In Indianapolis; I am quite sure it was Indianapolis, from what they told me.

The CHAIRMAN. All right.

Mr. KENNEDY. Was it transferred to local 299?

Mr. HOFFA. Later on, I understand it was transferred to 299.

Mr. KENNEDY. How much longer afterward, after it was purchased?

Mr. HOFFA. I thought I gave that this morning.

Mr. KENNEDY. We didn't know the date when it was transferred, Mr. Hoffa.

Mr. HOFFA. I could get it, and I said this morning we would check with the secretary of state.

Mr. KENNEDY. Don't they know? The man who had it does not know how long he kept it?

Mr. HOFFA. I didn't talk to him.

Mr. KENNEDY. Doesn't Mr. San Soucie know?

Mr. HOFFA. I didn't talk to him at lunch, and this information was supplied to me by somebody who had received it from Detroit. It can be checked in Lansing, I am sure, in Michigan.

The CHAIRMAN. This information you have as to this fellow Trefts is just something relayed to you?

Mr. HOFFA. Yes, sir.

The CHAIRMAN. You haven't talked to Trefts and you haven't talked to San Soucie?

Mr. HOFFA. I talked to San Soucie last night. And he was not too clear as I said before, on the details, and now I talked, or I received this note after they talked to our office, and we will check Lansing also and that should give us the date it was transferred.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Mr. Hoffa, on occasion you have spent money in political campaigns; have you not? I am going into a different phase of this.

Mr. HOFFA. The joint council and local unions have spent money on campaigns; yes, sir.

Mr. KENNEDY. Have you spent money in the election of prosecutors in Wayne County?

Mr. HOFFA. Money has been spent for prosecutors; yes.

Mr. KENNEDY. And in this recent election?

Mr. HOFFA. Yes, sir.

Mr. KENNEDY. Was that for just one person running for prosecutor, or for both sides?

Mr. HOFFA. I didn't make the contribution, and I was called on the phone and asked if it was all right, and I said yes, and the details I don't know exactly, but it was highly publicized at both the Democratic National and State meetings, and it was a matter that was brought to the attention, I think, of everybody in the United States.

Mr. KENNEDY. How much was spent?

Mr. HOFFA. I believe it was \$11,000, if I am not mistaken.

The CHAIRMAN. \$11,000?

Mr. HOFFA. I believe it was.

The CHAIRMAN. For a local prosecuting attorney?

Mr. HOFFA. That is right.

Senator IVES. May I ask a question there, Mr. Chairman?

Did that action receive the approval of the members of your organization?

Mr. HOFFA. I have on my books a motion from the members authorizing the expenditure of money from the local union for the best interests of the local union, and likewise the question of the political contribution has been taken time and again up with the membership, and they left it in my hands to decide who we should support, and how much money we should spend on those individuals whom we believed were the best persons for the job, the best qualified persons for the job.

Senator IVES. Well, I cannot quarrel with that idea as long as the membership fully approves it, but I suppose the membership voting for supporting candidates for public office is a little bit different than voting on some other things.

Suppose some of your members do not approve, and what happens to them?

Mr. HOFFA. They have a perfect right to come to the meeting and register their protest, if they desire, and take a vote, and the majority is binding in every instance where there is a motion on the floor.

Senator IVES. The majority of the membership binds all of them on a political question such as that?

Mr. HOFFA. On any question that arises in our union it is decided by a majority vote.

Senator IVES. That includes a question such as supporting certain candidates for public office?

Mr. HOFFA. That is right.

However, I may say to you we haven't had any dissenting votes in the meeting.

Senator IVES. Do they dare dissent?

Mr. HOFFA. Senator, if you want to come to 299 meetings—

Senator IVES. Do you suppose I would get kicked out?

Mr. HOFFA. I will invite you there at a specially called meeting to take this matter up with those members to clarify whether or not they authorized me to make political expenditures for qualified candidates.

Senator IVES. I am not arguing as to whether a majority may authorize you at all, but I am talking about the minority that does not approve of the candidates you are supporting?

Mr. HOFFA. So far there hasn't been a minority.

Senator IVES. What is that?

Mr. HOFFA. So far there hasn't been a minority at a meeting.

Senator IVES. How many attend those meetings, may I ask?

Mr. HOFFA. Anywhere from 200 to 1,000, to 1,500.

Senator IVES. Out of how many members?

Mr. HOFFA. Wait a minute now. Out of a membership of about 15,000, and we hold sectional meetings, and the city cartage group will run anywhere from 250 to 500 to 1,000 and as high as 2,500, and we can have meetings of the drivers and get 500 to a meeting, and if we want a special called meeting we can fill any hall in Detroit.

Senator IVES. Now, these meetings, the way you are describing them, are meetings at which you are deciding on whom you will support for public office?

Mr. HOFFA. The regular order of business and this becomes part of the regular order of business.

Senator IVES. There is no announcement made that this is going to be taken up, is there?

Mr. HOFFA. There is no announcement made for any specific question in the meeting. However, our meeting has never changed as to time or date and every member who joins our union or who belongs to the union knows when the meetings are going to be held and they have the right to attend and discuss any problem they desire to discuss.

Senator IVES. I believe we went into that last year, did we not?

Mr. HOFFA. We sure did, and I went into it again, Senator, if I may say, a week ago Wednesday.

Mr. IVES. Do not get me wrong. I am not criticizing you for spending money for supporting candidates, if your membership unanimously approves of it.

But you want to bear in mind when you are supporting public officials for office, or candidates for public office, when you are doing that you are voting on something wholly different from almost any other thing that you will vote on in your union?

Mr. HOFFA. Well, I don't consider the question of politics any different than the question of electing officers of a local union.

Senator IVES. That is where you and I do not happen to agree.

Mr. HOFFA. There is no question about that.

Senator IVES. There are several other things we do not agree on, too.

Mr. HOFFA. That is right, sir.

The CHAIRMAN. Let me see, now. Did I understand that this \$11,000 was spent on both candidates, or on one?

Mr. HOFFA. No, I believe \$11,000 went to one candidate, and I do not believe it came from one local union.

You must have the record there, and I think it came from several local unions, and probably through the joint council, and I don't know, and I can't tell you because I didn't handle the transaction, and I only know approximately what happened.

The CHAIRMAN. There is one thing that intrigued me a little. I know this happens in business circles as well, sometimes in others, and I am not vindicating them, but this idea of making contributions to both sides is something that intrigues me a bit.

What would be the purpose of that? Do you have authority to make the contribution, you say, to the candidate best qualified?

Well, there cannot be but one "best."

Mr. HOFFA. Senator, my position has been, and will remain, that we reward our friends, and we attempt to defeat our enemies.

Senator IVES. The better word is "punish." That is the more common usage in your vocabulary?

Mr. HOFFA. I haven't been known to punish anybody.

Senator IVES. To "reward our friends and punish our enemies."

Mr. HOFFA. I haven't been known to punish anybody.

The CHAIRMAN. Well, I had just heard that used so many times, "reward our friends and punish our enemies."

Mr. HOFFA. I would rather put it the other way, because punishing him and not defeating him is not very good satisfaction. I would rather defeat him.

The CHAIRMAN. I am using your own language, the language that I have heard many of you use before.

Proceed.

Mr. HOFFA. It is common talk in labor circles.

The CHAIRMAN. Well, I have experienced it. I know what it is, myself, except that I did not get punished.

Mr. HOFFA. You were able to win again.

The CHAIRMAN. Yes, sir; thank you.

Senator IVES. That was the same as Gompers' philosophy, and I can't quarrel with it at all. I have always been on the punishing end rather than any other end.

I know what that is.

The CHAIRMAN. Well, we will proceed. I have my own political philosophy about punishing. If those of us who get elected conducted ourselves that way, to punish those who voted against us, this would be a pretty sordid political government.

Proceed.

Mr. KENNEDY. Who did the \$11,000 go to?

Mr. HOFFA. I believe Olsen.

Mr. KENNEDY. Olsen?

Mr. HOFFA. I believe so.

Mr. KENNEDY. Did you ever spend money for or against a prosecutor in Wayne County on the basis of action that he took for or against any individual Teamster?

Mr. HOFFA. Well, I don't know if I did or not. If you can tell me who you are talking about, I will tell you.

Mr. KENNEDY. Were you familiar with the case of the indictment of Mr. Peter P. Ellis, I believe back in 1943?

Mr. HOFFA. Yes.

Mr. KENNEDY. And there were also Peter P. Ellis and James Cassily?

Mr. HOFFA. Cassily.

Mr. KENNEDY. And Solomon Schneiderman, is that correct?

Anyway, there was Mr. Ellis and two others?

Mr. HOFFA. Yes. I don't know about Schneiderman. Yes, I guess he was involved. That is right.

Mr. KENNEDY. They were indicted, is that correct?

Mr. HOFFA. I believe they were indicted, and I believe they even had a trial.

Mr. KENNEDY. And that was in connection with supposedly or allegedly shaking down Detroit morticians, is that right?

Mr. HOFFA. May I check on something before I try to answer?

(The witness conferred with his counsel.)

Mr. KENNEDY. Are you all set now?

Mr. Peter Ellis and two business agents were indicted for shaking down Detroit morticians, is that correct?

Mr. HOFFA. No, they weren't indicted for shaking down any two morticians or any morticians. They were indicted for allegedly shaking them down, and they were found innocent.

Mr. KENNEDY. Did you participate in this case at all, Mr. Hoffa?

Mr. HOFFA. To what extent?

Mr. KENNEDY. Did you have any discussions about the case with the prosecutor, William Dowling?

Mr. HOFFA. I sure did.

Mr. KENNEDY. Did you tell Mr. William Dowling that you would take action to bring about the loss of his job for causing the indictment of Peter P. Ellis and the two business agents.

Mr. HOFFA. I told Bill Dowling that I thought he was antiunion and was discriminating against the Teamsters' Union, and I would do my best to try and defeat him. That is what I told him.

Mr. KENNEDY. And did you in fact work against him?

Mr. HOFFA. As a matter of fact, he was defeated.

Mr. KENNEDY. And that was prior to the time that the case came to trial?

Mr. HOFFA. I don't remember whether it was or not. You are talking about—pardon me. Are you talking about when I talked to him or when we defeated him?

Mr. KENNEDY. You talked to him after the business agents were indicted, but before they were tried?

Mr. HOFFA. That is right.

Mr. KENNEDY. And you supported his opponent, Mr. O'Brien?

Mr. HOFFA. That is right.

Mr. KENNEDY. And you supported him financially?

Mr. HOFFA. That is right.

Mr. KENNEDY. And Mr Dowling was defeated?

Mr. HOFFA. That is right.

Mr. KENNEDY. And Mr. O'Brien then handled the case?

Mr. HOFFA. I don't know if he did or not. I don't know if the case came up before or after. I can't tell you that offhand.

Mr. KENNEDY. I believe, as you stated earlier, the case came up after Mr. Dowling was defeated and Mr. O'Brien, the man you supported, handled the case. Is that correct?

Mr. HOFFA. It could be. I don't remember.

Mr. KENNEDY. Did you make the same statements to his assistant, Mr. Jack Gilmore?

Mr. HOFFA. I could have. I don't remember.

Mr. KENNEDY. You don't remember that?

Mr. HOFFA. I don't think I talked to Jack. I might have. If I did, I would have told him the same thing.

Mr. KENNEDY. How much money did you spend for O'Brien?

Mr. HOFFA. I couldn't tell you.

Mr. KENNEDY. You can't remember that?

Mr. HOFFA. No.

Mr. KENNEDY. Going on to another case, Mr. Hoffa, in the case of Nicoletti, Marroso, Linteau, Keating, and Fitzsimmons, Jack Gilmore was working on that case. Did you make a contact with Jack Gilmore during the course of that trial?

Mr. HOFFA. May I again find out? I can't quite remember who Gilmore is. Just a moment.

(The witness conferred with his counsel.)

Mr. HOFFA. What was the question, Mr. Kennedy? I couldn't hardly remember the fellow.

Mr. KENNEDY. Going back to the Marroso, Nicoletti, Linteau, and Keating case in 1954, Jack Gilmore was working on that case from the prosecuting attorney's office?

Did you make a contact with Mr. Gilmore during the period of time during the trial of that case?

Mr. HOFFA. I don't recall ever discussing the question with Gilmore, because I didn't even remember that Gilmore handled the case.

Mr. KENNEDY. Did you make a telephone call to him in the courtroom during the opening days of the trial of that case?

Mr. HOFFA. Well, I don't recall it.

Mr. KENNEDY. Does it refresh your recollection that you called him right after the opening statement, called him and asked him to come out and have lunch with you?

Mr. HOFFA. Gilmore?

Mr. KENNEDY. Yes.

Mr. HOFFA. I can't remember and don't believe I ever had lunch with Gilmore. I think you are talking about Dowling that I had lunch with.

Mr. KENNEDY. I am not asking you whether you had lunch. I am asking you whether you called him in the opening days of the trial and requested him or asked him to come out and have lunch with you.

Mr. HOFFA. Well, I could very easily have done it. I don't remember it.

Mr. KENNEDY. You don't remember that?

Mr. HOFFA. No.

Mr. KENNEDY. That was while the trial was going on, the early days of the trial, and he was in the prosecuting attorney's office. Did you make such a call to him?

Mr. HOFFA. I don't remember any such call.

Mr. KENNEDY. Do you deny that you made a call?

Mr. HOFFA. I don't deny or affirm whether I did or not because of the lapsed time.

Mr. KENNEDY. This is 1954.

Mr. HOFFA. Well, that is 4 years ago.

Mr. KENNEDY. Yes. You can't remember that at all?

Mr. HOFFA. I remember nothing about it.

Mr. KENNEDY. Do you remember him saying to you that "You have a hell of a lot of guts" calling him while the case was going on, and that he was going to report this to the main prosecuting attorney? Do you remember that conversation?

Mr. HOFFA. I don't remember, as I told you before, even talking to him.

I will be happy to talk to him when I get back to Detroit.

Mr. KENNEDY. Also do you remember that Mr. Joe Rashid was working on that case?

Mr. HOFFA. Well, I know Joe, now a judge.

Mr. KENNEDY. That is correct. Did you speak to him at all about his work in connection with the case of Keating, Linteau, Marroso, and Nicolleti?

Mr. HOFFA. I don't know. I may have, but I can't recall it.

Mr. KENNEDY. Did you tell him that he would also have political opposition for the part that he had played in the indictments of these individuals?

Mr. HOFFA. I didn't tell anybody that he would have political opposition to that.

Mr. KENNEDY. What did you tell him?

Mr. HOFFA. I told him he would have political opposition every time he ran for office, as far as I was concerned.

Mr. KENNEDY. Did you speak with him in the court or outside the courtroom in connection with this case and tell him he would have political opposition?

Mr. HOFFA. I don't remember discussing the question with him at all.

Mr. KENNEDY. You told him you could have him followed and find out who he was having lunch with, who he was having dinner with, and that you could frame him in 90 days?

Mr. HOFFA. I seriously question whether I talked to the man.

Mr. KENNEDY. I am asking you whether you had that conversation with the man. Did you tell him that you could have him followed, know who he was having lunch with, know who he was having dinner with, and that you could have him framed in 90 days?

Mr. HOFFA. I don't need to have anybody in Detroit follow anybody. I could have followed him myself, and I don't recall any conversation concerning this talk with Rashid at all. I don't recall any.

The CHAIRMAN. Mr. Hoffa, if you do not recall the conversation, of course you cannot answer. But if you had such a conversation, unless it is a commonplace thing with you, it seems to me you would be likely to remember it if it was only 4 years ago. We would like to ascertain whether you took that action and have such conversation or did not.

Mr. HOFFA. Senator, I don't remember talking to Rashid concerning this trial at all. I say I may have talked to him, but I cannot recall any conversations with Rashid concerning this trial.

The CHAIRMAN. Well, if he makes the statement that this occurred, are you prepared to deny it?

Mr. HOFFA. Well, if he could refresh my memory who was there, when we were there, what we talked about, other than this, it might bring back some recollection. At this moment I cannot recall any conversation like that, Senator.

The CHAIRMAN. You are not saying now whether you would be prepared to deny having such a conversation or not?

Mr. HOFFA. Well, I certainly would not tell him I could frame him. I wouldn't in any event make such a statement as that, but I do not believe I ever discussed the question with him.

The CHAIRMAN. All right.

Mr. KENNEDY. This was in back of Martha Griffiths' court. It was during the preliminary inquiry, and I believe Mr. Fitzgerald was present as well as Sergeant Mullins of the Detroit Police Department. Does that refresh your recollection?

Mr. HOFFA. I do not remember any discussion with Rashid concerning this case. I probably passed the time of day with him, but knowing Rashid, if such a statement was made, it wouldn't surprise me that he would have been into the court within 2 minutes.

Mr. KENNEDY. Did you say that these, meaning Nicoletti, Marroso, Linteau, Keating, and Fitzsimmons were being framed, and that you could easily have him framed? Do you remember saying anything like that?

Mr. HOFFA. I remember no conversation with Mr. Rashid concerning this trial.

Mr. KENNEDY. Do you remember having any conversations with him about taking some gifts, asking him who he took presents and gifts from? Do you remember any conversations along those lines?

Mr. HOFFA. I don't remember any conversations with Rashid at all.

The CHAIRMAN. Apparently, Mr. Hoffa, the staff is prepared and has witnesses here to testify to these things. I am giving you that suggestion now, for you to reflect upon, and try to refresh your memory as much as you can. The Chair is hopeful we can get through with this series of hearings as soon as possible. If we bring on witnesses to testify to these things, then of course I want you to be given an opportunity to deny, affirm, or explain. I am giving you the opportunity before we put on the witnesses to state if you have any recollection of it or if you did not, or explain.

Mr. WILLIAMS. I think the witness has testified, Mr. Chairman, fully on the fact that he does not recall the conversation in which he——

The CHAIRMAN. We are giving him as we go along the incidents, time and place and so forth, to be of help to his memory. I believe he said he would like to have his memory refreshed.

Mr. HOFFA. If you have anything, I am willing to listen to it.

The CHAIRMAN. All right.

Mr. KENNEDY. I am giving you pretty much the information that we have, Mr. Hoffa, in connection with the statements that you are alleged to have made to Mr. Rashid, who is presently Judge Rashid, in the presence of certain individuals. I gave you the time in connection with it, in the back of Martha Griffiths' courtroom.

The CHAIRMAN. Well, move on to something else.

Mr. KENNEDY. Does it refresh your recollection at all if I say that I understand you also said to him that he was a chump not to take gifts like every other person, as other politicians took gifts? Does that refresh your recollection at all?

Mr. HOFFA. I told you I do not recall any conversation with Rashid.

The CHAIRMAN. The witness' recollection is not refreshed. Let's proceed.

Mr. KENNEDY. In this same connection, Mr. Chairman, I have a question.

Do you know Mr. Santo Perrone?

Mr. HOFFA. Yes; I know him.

Mr. KENNEDY. How long have you known Santo Perrone?

Mr. HOFFA. I know who he is, and I have met him probably three times in my life, and I believe at various weddings or some social gathering.

Mr. KENNEDY. Do you know Mr. John Wolke?

Mr. HOFFA. Wolke? I don't recall the name. What is he; what is his position?

Mr. KENNEDY. He is an individual in Detroit. Did you ever intercede or seek to intercede on behalf of John Wolke directly or indirectly after he was arrested?

Mr. HOFFA. I can't recall the name.

Mr. KENNEDY. Did you ever send anyone or did you ever intercede with Judge Rashid directly or indirectly on behalf of John Wolke after he was arrested for a very serious crime?

Mr. HOFFA. Just a moment, please. May I consult with counsel?

(The witness conferred with his counsel.)

Mr. HOFFA. Is that the fellow tried for abortion?

Mr. KENNEDY. That is correct.

Mr. HOFFA. Who handled his case?

Mr. KENNEDY. He was a cellmate of Santo Perrone when Santo Perrone was in the penitentiary, and his case was ultimately handled or was handled by Judge Rashid's court, and I am asking you if you interceded directly or indirectly or sought to intercede directly or indirectly on behalf of John Wolke after he was arrested and charged with abortion.

Mr. HOFFA. I didn't send anybody in to intercede for him, sir.

Mr. KENNEDY. You did not send anyone?

Mr. HOFFA. Not that I know.

Mr. KENNEDY. You would know if you sent anyone?

Mr. HOFFA. A lot of people use my name at various times around the city of Detroit without me knowing about it.

Mr. WILLIAMS. Mr. Chairman, I am sure——

The CHAIRMAN. This was in 1955 or 1956?

Mr. KENNEDY. That is right.

Mr. WILLIAMS. I am sure that any judge on whom such intercession was practiced, as Mr. Kennedy's question implies, would immediately present a matter of that character to a grand jury, where it should go. I think if there are any records showing such a report was made by Judge Rashid then it is incumbent upon counsel in the interest of fairness to show such report to the witness.

The CHAIRMAN. We are asking the witness a question. I assume that you have some proof, Mr. Counsel.

Mr. KENNEDY. Yes; we do have that. I didn't ask if you sent anyone, Mr. Hoffa.

You just denied, or said you didn't send anyone, but I am asking you whether you interceded or intervened directly or indirectly on behalf of John Wolke after he was arrested for abortion.

Mr. WILLIAMS. I think that question needs clarification.

Mr. KENNEDY. We are just looking for the truth.

Mr. WILLIAMS. I think the question needs clarification. If Mr. Kennedy does not mean did Mr. Hoffa send someone to the judge, then he should ask him what he does mean.

How do you intervene if you don't go to the judge or send someone to the judge?

Mr. KENNEDY. I thought it was interesting that he did not send someone, and he could have had someone call.

The CHAIRMAN. The witness said he didn't send someone. In what other way if any, did you contact the judge and undertake to intervene in the case?

Mr. HOFFA. I didn't talk to Judge Rashid about this case.

The CHAIRMAN. I did not ask you that. You did not talk to him and you did not send anyone. Did you in any other way undertake to intervene in the case on behalf of Wolke?

(The witness conferred with counsel.)

Mr. HOFFA. Senator, if I didn't send anyone there to intervene and I didn't go there personally, how else would you go about intervening?

The CHAIRMAN. You might do it by telephone, you know. There are other ways.

Mr. HOFFA. I said I didn't talk to him.

The CHAIRMAN. I do not know.

Mr. HOFFA. I said I didn't talk to the judge, Senator.

The CHAIRMAN. All right, then the answer is "No"; you did not intervene directly or indirectly?

Mr. HOFFA. Senator, I am asked every day in the week to do favors for people, and I do it automatically, and I don't want to sit here and say I did not talk to anybody about the case because somebody may have asked me to make a phone call to some lawyer or somebody, and I may have proceeded to do so, and so I will not say positively that I had nothing to do with getting a postponement or some situation that may have come about in this case because I do it quite regularly when I think it is necessary to make a phone call.

I don't always get the job done, but I don't hesitate to try.

The CHAIRMAN. Do you recall having intervened in this case, by telephone or otherwise, to get a postponement?

Mr. HOFFA. I don't recall that, Senator. If you could tell me who I supposedly called, that would probably refresh my memory, but it may have just been just one of those situations where it happened in a minute or two, in a busy spell of the negotiations or in my office. I don't recall.

The CHAIRMAN. Mr. Hoffa, you recall when we first started our interrogation of you some weeks ago, objection was raised to asking you these questions and then putting a witness on the stand at a time like this and interrupting your general questioning, and it was charged that the committee was unfair in proceeding that way.

We can put the witness on afterwards, but we have to ask you these questions and get the best answers you can give at this time.

All right, Mr. Kennedy, proceed.

Mr. KENNEDY. Interestingly enough, Mr. Chairman, it was a postponement that this individual requested, according to our information.

Mr. HOFFA. What is illegal about that?

Mr. KENNEDY. Nothing. It was just of some interest that you happened to volunteer that you might have asked for a postponement, because that is exactly what was requested.

Mr. HOFFA. That is the most I would do, because that is the only thing that is legal.

Mr. WILLIAMS. As I understand your ruling at the outset of this phase of the hearings, this was the very thing on which you agreed with me, and as I recall your ruling it was manifestly unfair to put a witness on the stand and ask him about events that took place some years back, when the counsel holds someone's version of the information in hand.

You are asking in generalities when he holds the information at all times in his possession without specifying in detail.

I understood that you ruled that the witnesses would be called first, and then this witness would be permitted to come on and answer such questions as the counsel wished to ask him on the phase developed.

The CHAIRMAN. You will recall, I reserved the right in the committee, of course, at all times, to determine its procedure. I did say, since you objected to interrupting Mr. Hoffa's testimony at the time to put on this testimony. You objected to that, that we would try

insofar as we could to do it the other way. That is what we are trying to do now.

Proceed.

Mr. KENNEDY. I would like to say, Mr. Chairman, I don't believe it is speaking in generalities to ask somebody if he interceded on behalf of an abortionist, a man arrested for abortion, and a cellmate of Santo Perrone, that is not a very general question.

The CHAIRMAN. The Chair ruled on the question.

Proceed.

Mr. KENNEDY. Now, Mr. Hoffa, going on in the same general subject, did you request former Governor Ratner to intercede with Wint Smith of Kansas, when the investigation was being made of you by a congressional committee?

Mr. HOFFA. I didn't ask Ratner to intercede for me with Wint Smith. Ratner was, I believe, retained on advice of counsel to assist us in the hearings, and all I wanted from Wint Smith was what I finally got, a fair hearing and a right to present my case.

Mr. KENNEDY. Now, wasn't one of the purposes of having Mr. Ratner retained to make the contact with Congressman Smith?

Mr. HOFFA. What was the purpose of contacting? There certainly isn't anything wrong that I know of in having a lawyer ask that a client be able to receive what he is rightfully entitled to under the law.

If I asked Ratner to do that, I probably asked him to see that I got a fair hearing, which I couldn't get from Clare Hoffman because he didn't know what he was doing in the hearing.

Mr. KENNEDY. That is fine, but that was one of the purposes of retaining former Governor Ratner, was it not?

The CHAIRMAN. If you did, say yes.

Mr. HOFFA. That isn't the answer. I retained Ratner for advice as well as seeing that I could get a fair trial.

The CHAIRMAN. All right, proceed.

Mr. KENNEDY. Had he had a considerable amount of experience with congressional committees prior to this time?

Mr. HOFFA. Being a governor twice, he certainly was familiar with legislative procedures.

Mr. KENNEDY. How many attorneys did you have?

Mr. HOFFA. I hired every one I could get that I thought would do some good.

Mr. KENNEDY. Wasn't one of the purposes that he was retained for, to make this contact and discuss your case with Congressman Smith?

Mr. HOFFA. I told you what he was hired for.

Mr. KENNEDY. Isn't that one of the reasons, Mr. Hoffa?

Mr. HOFFA. He was hired to be able to try and get a fair hearing and allow me to put into the record the corrections that I had been denied under Hoffman in my opinion.

Mr. KENNEDY. Are you familiar with Mr. Joe Schneiders, and this is another matter in the same general category?

Mr. HOFFA. Where is he from?

Mr. KENNEDY. From Detroit.

Mr. HOFFA. What does he do?

Mr. KENNEDY. He was in the public relations business, advertising business.

Mr. HOFFA. Maybe; just a moment. May I talk to counsel, Senator?

(The witness conferred with his counsel.)

Mr. HOFFA. I don't know who Schneiders is at this moment, and you will have to get closer than that.

Mr. KENNEDY. Do you remember a company made up of a husband and wife, a public relations organization, and you made certain payments to them?

Mr. HOFFA. I can't recall them. When was this? When did this take place?

The CHAIRMAN. Mr. Hoffa, apparently this Joe Schneiders was operating under the firm name, and I do not know who was in the firm, of Joe Schneiders Associates, Inc.

Do you recall having employed Joe Schneiders Associates, Inc., for any work for the union or for yourself?

Mr. HOFFA. I don't recall the name or the company, Senator. It could very easily have been handled—

The CHAIRMAN. I present to you, then, three checks. The first one appears to be dated sometime in December of 1952. This is a photostatic copy. It is not quite clear, but it appears to be December of 1952, in the amount of \$15,601.

The next one is dated March 9, 1953, made out to the same firm in the amount of \$868.

I am sorry; that is correct as to the amount, but the first check, the last one, the \$15,601 is the second check. The first check was dated March 12, 1952, in the amount of \$6,200. That makes a total of \$22,669.

The first check I referred to, the early dated check, March 12, 1952, in the amount of \$6,200, I present to you, the original check on joint council No. 43.

The other two checks that I present to you, and to which I have referred, the \$15,601 check and the \$868 check are drawn on your local, local No. 299.

The latter two are photostatic copies, and the first one is the original check, and I ask you to examine those documents and state if you identify them.

(Documents handed to witness.)

The CHAIRMAN. I believe those next total \$22,669.

Mr. HOFFA. Mr. Chairman, may I inquire what the stub of the check shows, and they have the books there.

The CHAIRMAN. Do we have the stub of the checks?

We will get the stubs.

Mr. HOFFA. I think it is the only way I would be able to tell you anything about it, and probably it was a transaction I had someone else handle and I don't remember Joe Schneiders, myself, and that could be political, or it could be many things.

The CHAIRMAN. The checks, you identify them as being checks on the union?

Mr. HOFFA. That is right, not on the union, but joint council 43, and the union.

The CHAIRMAN. Well, as you identify them for what they show on their face?

Mr. HOFFA. Yes, sir.

The CHAIRMAN. They may be made exhibits 178-A, B, and C in the order of their dates.

(Documents referred to were marked "Exhibits 178-A, B, and C" and will be found in the appendix on pp. 15340-15342.)

The CHAIRMAN. We will get the stubs if we can find them?

Mr. KENNEDY. Do you remember the fact that you would retain this firm for weekly television programs of a half hour each?

Mr. HOFFA. Well, I wouldn't have arranged for any television. We have people who work for us and they would have arranged it and probably someone came in and discussed it with me, and if I approved it they would handle it and I wouldn't have had anything to do with that personally.

Mr. KENNEDY. Do you remember Judge Gillis bringing in the Schneiders to you, and suggesting this television program back in 1952?

Mr. HOFFA. Just a moment. I think that I know the answers, and if I had the stubs I could have done it before. I believe this is a television program and if I get the stub I think it will verify it, where we ran some pictures concerning truck transportation.

If I am wrong, you can correct me.

Mr. KENNEDY. I believe that is correct.

Mr. HOFFA. That is truck transportation, and either prior to or right after each one of the TV shows, we would reserve a few minutes to bring in some judges, or individuals running for office, and have them say a few words concerning either the show, or concerning some subject that was of current topic during that period. Maybe they would put in a word for themselves.

Mr. KENNEDY. Do you remember Judge Gillis bringing the Schneiders into your office?

Mr. HOFFA. It could be. I don't deny whether he did or did not.

Mr. KENNEDY. Do you remember his financial connection with this transaction?

Mr. HOFFA. No; I do not remember.

Mr. KENNEDY. You don't remember anything about that?

Mr. HOFFA. It is just another routine deal. Somebody probably worked it out as a publicity situation, brought it into my office. I listened to them for 10 or 15 minutes. They worked it out and that was all there was to it.

Mr. KENNEDY. This involved a considerable amount of money.

Mr. HOFFA. \$22,669 is not a lot of money when you are talking about TV.

Mr. KENNEDY. It is a lot of money to a lot of people. It is a lot of members' dues. You say somebody came in for 15 or 20 minutes and wanted a television program and you made a decision just like that. There is something more to it than that. This is a lot of money.

The CHAIRMAN. Do you know what there is to it, Mr. Hoffa?

Mr. HOFFA. Senator, there isn't anything to it. That is the peculiar part.

Senator IVES. Is this a statewide program?

Mr. HOFFA. That would extend not only into Michigan, but I think it extended into part of Indiana and part of Ohio, if I recall rightly.

Mr. KENNEDY. Mr. Hoffa, do you remember—

Mr. HOFFA. May I say, I believe it was 13 weeks. Was it not, Mr. Kennedy?

Mr. KENNEDY. I believe it was.

Mr. HOFFA. Thirteen weeks at \$22,669 isn't a terrible lot of money.

Mr. KENNEDY. I believe for the 13 weeks it was \$15,601, and then the rest of the money was for a different matter.

Mr. HOFFA. Well, it could be. You said Schneiders, and as far as I know of, that is all I can recall.

Mr. KENNEDY. When you made this transaction or made this deal, arrangement, with the Schneiderses, Judge Gillis was receiving from the Schneiderses \$100 a week; was he not?

Mr. HOFFA. Was he?

Mr. KENNEDY. I am asking you, Mr. Hoffa.

Mr. HOFFA. You can't ask me.

Mr. KENNEDY. I am asking you if you knew of that fact and whether that fact wasn't discussed with you in the office at the first meeting.

Mr. HOFFA. Now, can you tell me who was in that meeting?

The CHAIRMAN. Let me ask the counsel. Was this judge receiving \$100 per week from this Schneiders Associates out of this money being paid for the service?

Mr. KENNEDY. He was receiving—

The CHAIRMAN. Well, at the time.

Mr. KENNEDY. He was, that is correct.

The CHAIRMAN. At the time, whether it came out of this or out of some other account.

Mr. KENNEDY. That is correct, and as we understand it, and that is what I was asking Mr. Hoffa about, Judge Gillis knew Mr. Hoffa, brought the Schneiderses in to introduce them to Mr. Hoffa, and at this conference Mr. Hoffa wrote out the first check for \$15,601. There was discussion at that time of the fact that Judge Gillis would be on the payroll at \$100 a week.

The CHAIRMAN. In other words, was that a part of the transaction at the time this \$15,601 was paid?

Mr. KENNEDY. That was part of the transaction.

The CHAIRMAN. Now, do you recall that, Mr. Hoffa?

Mr. HOFFA. Excuse me, sir. I am trying to figure something out.

The CHAIRMAN. I say, according to the information of the staff, Judge Gillis was to receive \$100 a week from the Schneiders Associates during the time of this contract for 13 weeks television time, for \$15,601. Do you recall that or know anything about it?

Mr. HOFFA. I don't recall the conversation, not even about the details of this, because I imagine, Senator, that somebody from my staff must have been in the office presenting this proposed TV program, and I would have probably left it up to that individual to handle the details and simply told the secretary to issue a check for the program. I do not recall any discussion concerning Judge Gillis.

The CHAIRMAN. What position did Judge Gillis hold? Judge of what?

Mr. HOFFA. Recorders court, sir.

The CHAIRMAN. Recorders court. What jurisdiction does it have?

Mr. HOFFA. I will have to find out for you.

(The witness conferred with his counsel.)

Mr. HOFFA. Criminal, civil, and condemnation.

The CHAIRMAN. Would you enter into a contract for television service or any other service where you would pay out \$15,601 of Teamsters money, knowing and understanding, and as a part of the transaction, that \$100 a week of that was to go to a judge, a presiding judge of a court before whom you might have cases?

Mr. HOFFA. If he was going to do any work in behalf of the program, and going outside of the court chambers. It might have been discussed. I don't recall it.

The CHAIRMAN. Wouldn't you think such a transaction was against public policy?

Mr. HOFFA. It is according to what he was going to do for the money if he received any.

The CHAIRMAN. No matter what he was going to do, if he is a judge of a court before whom you might have cases, do you think that a proper transaction?

Mr. HOFFA. Senator, I don't know if it happened, and I don't know if the man received any money. I cannot recall any discussion concerning it. However, I think his conscience would have to be the judge or the determination of whether or not it was right or wrong.

The CHAIRMAN. I think his conscience should play some part in it, no doubt. I am not questioning that. I am just asking you if you would knowingly enter into such an agreement as that.

Mr. HOFFA. I think that if a judge, on his own time, could assist in a show and enterprise, of any description, and he could earn some money doing it, and he wasn't obligated to the individual who paid him for anything other than producing what he was paid for, there certainly wouldn't be anything immoral about it.

Senator IVES. May I ask a question there, Mr. Chairman?

The CHAIRMAN. Senator Ives.

Mr. HOFFA. And he would have to probably disqualify himself in any case pertaining to the individual.

Senator IVES. That is the question I was going to bring up. Did any of your cases come before his court?

Mr. HOFFA. I think they did.

Senator IVES. Did he in every instance disqualify himself?

Mr. HOFFA. I don't know. When was Mr. Bufalino's trial, Mr. Kennedy?

Mr. KENNEDY. He had a good number of the cases. He had Linteau, Nicoletti, Marroso, Keating, and the Bufalino case.

Mr. HOFFA. Before or after?

Mr. KENNEDY. After this.

Mr. HOFFA. Well, he put four of them in jail.

Mr. KENNEDY. They pled guilty.

Mr. HOFFA. And he put them in jail.

Mr. KENNEDY. They pled guilty.

Mr. HOFFA. And he put them in jail.

Mr. KENNEDY. And the Bufalino case he also had.

Mr. HOFFA. The jury found the other ones innocent.

Mr. KENNEDY. Yes, that is correct.

Did you know that Judge Gillis had a financial interest in this company over and above the \$100 a week at the time you had this conference?

Mr. HOFFA. I don't believe it was ever discussed with me.

Mr. KENNEDY. Did you know that?

Mr. HOFFA. I don't believe I did.

Mr. KENNEDY. Do you deny that you knew that he had a financial interest in this company?

Mr. HOFFA. Well, I am saying to you, Senator, that to present such a question to me for an answer is something that cannot be answered because there may have been a discussion or there may not have been a discussion concerning the background of this particular company. I wasn't hiring them for their background. They were being hired to run a TV show, and whatever else we hired them for.

Now, I cannot say whether or not I ever knew it or didn't. It may have been told to me and slipped my mind. I don't know.

Mr. KENNEDY. You don't know as of this time? You don't remember having been told, as of this time?

Mr. HOFFA. No, I don't remember.

Mr. KENNEDY. You don't remember that?

Mr. HOFFA. No, and I don't know if it was ever told to me or not.

Mr. KENNEDY. Didn't the judge use one of these 13 programs himself for his own candidacy during the early part of 1953?

Mr. HOFFA. He could have.

Mr. KENNEDY. Did you give instructions to that effect, Mr. Hoffa?

Mr. HOFFA. Did I give instructions?

Mr. KENNEDY. Yes. That one of these 13 programs was to be used by Judge Gillis to promote his candidacy.

Mr. HOFFA. Maybe I did. Say I did.

Mr. KENNEDY. Did you?

Mr. HOFFA. I don't know if I did or not.

Senator IVES. I would like to point out one thing, that is according to what you believe, isn't it?

Mr. HOFFA. No, I don't believe anybody discussed with me the question.

Senator IVES. Pardon me. I misunderstood what you said before, then. I have been under the impression that you believe that any money you raise and that a majority of the members of your union agree to—

Mr. HOFFA. That is different.

Senator IVES. All right. That is what I am talking about. I assume they approved that, did they not?

Mr. KENNEDY. They don't approve—

Mr. HOFFA. They approve giving me the authority to run the organization.

Senator IVES. That is just blanket authority. It isn't any authority dealing with this particular thing, though.

Mr. HOFFA. As far as I am concerned it is.

Senator IVES. Well, that is where you and I disagree again.

Mr. HOFFA. That is right.

The CHAIRMAN. We have found two of the check stubs on your local, I believe.

Mr. WILLIAMS. Mr. Kennedy, do you have the dates of these television shows?

The CHAIRMAN. The Chair presents these two check stubs. One would seem to be an original, and the other is a photostatic copy. Check No. 6813, which is a part of exhibit 178, is one of the items.

This seems to be on joint council No. 43. We have that check stub here, I believe. And we have the check stub on check No. 1760 in the amount of \$868, which is also a part of exhibit 178. I present these to you for your inspection and identification.

(The witness conferred with his counsel.)

The CHAIRMAN. May I inquire of staff: Do we have the check stub on the \$15,601 check?

Mr. BELLINO. Senator, that is a December 1952 check. Those 1952 checks were not in existence when the Hoffman committee in 1953 attempted to examine the records of that local.

The CHAIRMAN. In other words, you have no check stub for that check?

Mr. BELLINO. No, sir.

The CHAIRMAN. All right.

Mr. WILLIAMS. Mr. Chairman, I am confused by the date sequence here. Maybe you could help us out. As I understand it, this \$15,000 check was made out, it appears, in December of 1952. I can't make out the exact date.

The CHAIRMAN. Neither can we. I can't.

Mr. WILLIAMS. Mr. Kennedy tells me the television show began, he thinks, in December.

Mr. KENNEDY. I thought you asked me when the meeting was at Mr. Hoffa's office. The meeting in Mr. Hoffa's office in which this arrangement was made, in which Mr. Bert Brennan was present and Mr. Robert Holmes, we understand, was made on December 1, 1952, on the same date this check was made out.

Mr. WILLIAMS. Do the television shows follow that?

Mr. KENNEDY. It was 13 weeks before the election.

Mr. WILLIAMS. That is why I am confused. I don't know what the habits are for elections in Detroit.

Mr. KENNEDY. February and April of 1953. Isn't that right, Mr. Fitzgerald? That is what we understand.

Mr. FITZGERALD. Well, I think that is right.

The CHAIRMAN. Can you identify the check stubs?

Mr. HOFFA. I am trying to, sir.

They are the stubs that match up with the checks.

The CHAIRMAN. Those two?

Mr. HOFFA. Yes, sir.

The CHAIRMAN. The check stubs may be made exhibit 178-D and 178-E.

(The documents referred to were marked "Exhibits 178-D and 178-E," respectively, for reference and will be found in the appendix on pp. 15343-15344.)

The CHAIRMAN. I may say to you, Mr. Hoffa, you probably wouldn't be able to identify these checks, but we have checks here for the same period of time, one dated April 10, and these are original checks, one dated April 10, 1953, to T. A. Gillis in the amount of \$64.56, from Joe Schneiders Associates, Inc.; another one dated April 20, 1953, T. A. Gillis, from the same associates, in the amount of \$277.35; and another dated April 22, 1953, in the amount of \$68.28, from the same group.

Mr. HOFFA. Did you say T. A. Gillis, Senator?

The CHAIRMAN. J. A. Gillis. I am sorry. It is hard to tell whether it is a J or a T. One has Joseph A.

Mr. HOFFA. That is what I was trying to get clear. Joseph is apparently the judge. There are two Josephs. There is his son, Joseph, and also the father. I don't know whether or not it is to his son or to the Judge.

Senator IVES. Is the son a junior?

Mr. HOFFA. Yes, sir.

Mr. KENNEDY. I might say that prior to the time we went into this, we attempted to interview Judge Gillis to get an explanation of this situation, as well as the matter that was brought up during the hearing last week, and he refused to be interviewed, so we couldn't get any explanation.

The CHAIRMAN. He has been given an opportunity to make explanation?

Mr. KENNEDY. That is correct.

The CHAIRMAN. All right, proceed.

Mr. HOFFA. Is there any notation there as to why he was paid, for what purpose?

The CHAIRMAN. Nothing appears on the checks. I was just trying to get the total of these checks. These checks total \$1,210.19. We will put these into the record later, but I assumed you couldn't identify them.

Mr. HOFFA. No, I could not.

The CHAIRMAN. I wanted to acquaint you with the information we have.

Mr. KENNEDY. This is again on this same general subject, but going on to a different situation, Mr. Chairman.

I would like to know, Mr. Hoffa, if you know Irving Charles Velson.

Mr. HOFFA. Velson?

Mr. KENNEDY. Yes.

Mr. HOFFA. Yes, sir.

Mr. KENNEDY. How long have you known Velson?

Mr. HOFFA. Maybe a year. Not much longer.

Mr. KENNEDY. You have had conferences with him, have you not?

Mr. HOFFA. That is right.

Mr. KENNEDY. Up in New York?

Mr. HOFFA. That is right.

Mr. KENNEDY. That is in connection with the association, the possible association, with Harry Bridges' organization on the west coast?

Mr. HOFFA. That is right.

Mr. KENNEDY. And you were aware of the fact that he appeared before the House Un-American Activities Committee on July 12, 1956?

Mr. HOFFA. I don't keep track of him that close.

Mr. KENNEDY. He was asked whether he had been or whether he was presently a member of the Communist Party and he took the fifth amendment. And whether he was a national military director of the Young Communist League and he took the fifth amendment; whether he was in frequent contact in 1943 and 1944 with Roy Hudson, a top Communist Party functionary; whether or not he worked in the underground section of the Communist Party with Alexander Stevens, who is also known as J. Peters.

Were you aware of all that?

(The witness conferred with his counsel.)

Mr. KENNEDY. Were you aware of all that, Mr. Hoffa?

Mr. HOFFA. I don't know anything about it.

Mr. KENNEDY. You didn't know anything about it.

Did you know about the record of that House Un-American Activities Committee which showed that Communist meetings were held in his home and that he was——

Mr. HOFFA. What I know about the Un-American Activities Committee is very limited. But from what I read, it seems to be a pretty peculiar committee.

Mr. KENNEDY. These are questions that were asked him, and he took the fifth amendment on them.

I am sorry, I made a mistake. It is the Internal Security Subcommittee.

Mr. HOFFA. That is fine. I am glad you corrected it.

Mr. KENNEDY. He appeared before the Internal Security Subcommittee and took the fifth amendment on these questions.

Did you know that?

Mr. HOFFA. I have no knowledge of anything that Velson does except the discussions I have with him.

Mr. KENNEDY. I thought you were interested from the conversations that you have had before this committee on prior occasions, I thought you were interested in whether there was any Communist background on any individual with whom you were associated.

Mr. HOFFA. Thanks for the information. I will take care of it.

(At this point Senator McClellan left the hearing room.)

Mr. KENNEDY. Did you know, Mr. Hoffa, what connection he has with Mr. Richard Pastor?

Mr. HOFFA. I never heard of the fellow. Who is he?

Mr. KENNEDY. You never heard of Richard Pastor?

Mr. HOFFA. I don't know him.

Mr. KENNEDY. You didn't know the Communist background of Richard Pastor, who runs a labor newspaper at Macy's store?

Mr. HOFFA. Never met him.

Mr. KENNEDY. You never did?

Mr. HOFFA. No.

Mr. KENNEDY. Did Mr. Velson tell you that he was going to get in touch with Richard Pastor, who also has a Communist background, to make an approach to one of the jurors in New York City in connection with your trial?

Mr. HOFFA. He didn't tell me that.

Mr. KENNEDY. Did you know that Richard Pastor approached Miss Catherine Barry, of your jury?

Mr. HOFFA. I don't know who approached who, but there was an article in the newspaper and the judge made a statement from the bench.

Mr. KENNEDY. And it was Mr. Richard Pastor, who is an associate of Mr. Velson, who has a Communist background, who made this approach to Miss Catherine Barry on the jury. Can you give us any explanation of that?

Mr. HOFFA. Why should I have any explanation?

Mr. KENNEDY. I am asking you if you can give us any explanation, Mr. Hoffa.

Mr. HOFFA. I have no explanation.

Senator IVES. Mr. Hoffa, do you know anything about it?

Mr. HOFFA. No, sir.

(At this point Senator McClellan returned to the hearing room.)

Mr. KENNEDY. I might say, Mr. Chairman, we have looked into this matter and will go into it to some extent a little later. But it fits into the context of the rest of the matters we have been discussing.

Mr. Hoffa, I would like to ask you now about an entirely different situation, and that is, what was in Barney Baker's background which made you feel that he was a fit and proper person to become a Teamster business agent?

Mr. HOFFA. If Barney Baker was good enough for the National Democratic Party to be able to organize what they thought was necessary to handle a campaign in Washington, it ought to qualify him to be able to organize for the Teamsters Union.

Mr. KENNEDY. Mr. Hoffa, when he was made a business agent, did you know of the fact that he had been arrested and convicted for activities on the New York waterfront?

Mr. HOFFA. I didn't know at the time he was hired. I learned later on.

Mr. KENNEDY. Did you take any action, then, in connection with it?

Mr. HOFFA. I did not.

Mr. KENNEDY. Did you know that he was an associate of "Cockeyed" Dunne, "Squint" Sherridan, and Don Gentile?

Mr. HOFFA. I didn't go into the background of Baker to determine who his associates were. I am quite sure that, hearing him testify here, that he knew every one of them.

Mr. KENNEDY. And Meyer Lansky, Joe Adonis, "Jimmy Blue-eyes," and Bugsy Segal?

Mr. HOFFA. The same answer would have to hold true.

Mr. KENNEDY. That he was a collector for Varick Enterprises?

Mr. HOFFA. Are you asking me if I knew that?

Mr. KENNEDY. Yes.

Mr. HOFFA. How would I know that?

Mr. KENNEDY. Here was a business agent, rather prominent, and you sent him around the country, did you not, Mr. Hoffa?

Mr. HOFFA. I sent him where it was necessary to organize, Mr. Kennedy.

Mr. KENNEDY. Then I would think you should know something about his background. Did you know in St. Louis he is a friend of Johnny Vitale, Joe Costello, Jack Joseph, "Trigger Mike" Coppola in Miami? Did you know that in 1954?

Mr. HOFFA. I heard him testify here to what extent he knew those people.

Mr. KENNEDY. Does that not disturb you at all about his operations?

Mr. HOFFA. It doesn't disturb me one iota.

Mr. KENNEDY. What about the Teamsters Union paying his hotel bills at the Shoreland Hotel when he was calling these people all over the country? Do you think that is a proper use of union funds? How would I have known—excuse me, sir.

The CHAIRMAN. What are you asking about, the telephone calls to these people?

Mr. KENNEDY. Yes.

The CHAIRMAN. Were they paid out of union funds?

Mr. KENNEDY. Yes.

The CHAIRMAN. All right.

Mr. HOFFA. I don't know who he was calling and the telephone bill would come in on the hotel bill and he would pay it and that is it. How would I know who he called, and there is nothing to indicate on the bill that comes in to us who he called.

Mr. KENNEDY. The bill at the Shoreland Hotel also had a cash advance of \$1,850 to Mr. Baker.

Mr. HOFFA. I think that I can supply you with the answer in just a moment, Mr. Chairman.

The CHAIRMAN. I think that \$1,850 was a number of advances, totaling that much.

(The witness conferred with his counsel.)

Mr. HOFFA. There was a mattress company in Chicago we were attempting to organize. I can't recall the name of it now.

The CHAIRMAN. In what town?

Mr. HOFFA. In Chicago, and Barney was attempting to organize, and apparently he needed the money for cash advances to carry on his organizing program. Since we would have paid it ultimately anyway, he simply charged it to the hotel and it came to our office in St. Louis, billed regularly, and it was paid as an expense of organizing, I imagine.

Mr. KENNEDY. Well, there were some vouchers as to how he spent the money?

Mr. HOFFA. I think there would be a voucher there with my signature on it, if it came from Gibbons' office to my office. If you have it, we will look at it.

Mr. KENNEDY. I am trying to find out whether there are vouchers in there for the \$1,850 hotel bill which you paid, as to how he spent the money.

Mr. HOFFA. I don't handle the St. Louis office, and I can't tell you, and you have the records.

Mr. KENNEDY. Before you signed the check and OK'd the bill, did you make sure that he had actually spent this money in organizing?

Mr. HOFFA. Harold Gibbons has the authority to sign the checks for bills that come in for organizing on the road, and then sends me a voucher to keep me informed as to expenditures. If there is any question, I call Gibbons and we discuss it, but that is all I can tell you.

Mr. KENNEDY. Hadn't you OK'd this bill, Mr. Hoffa?

Mr. HOFFA. Maybe I did; if someone called me, I would.

Mr. KENNEDY. Did you not inquire into how he was spending the \$1,850?

Mr. HOFFA. I just got through telling you what he spent it for.

Mr. KENNEDY. Did you have any vouchers to show that he actually spent it for those purposes?

Mr. HOFFA. You don't have vouchers when you are organizing.

Mr. KENNEDY. You would want an explanation as to where the money went, if you were interested in how the money went.

Mr. HOFFA. I am confident it was spent in a proper way.

Mr. KENNEDY. Even with an individual with this background?

Mr. HOFFA. Mr. Kennedy, Baker is a competent organizer.

Mr. KENNEDY. Excuse me.

Mr. HOFFA. Mr. Baker is a competent organizer, and I believe that Mr. Baker would use the money for the purpose that it was intended and finally paid for organizing purposes.

The CHAIRMAN. Here is the bill referred to, and it has been made exhibit 66 in this hearing. I am not sure, and I will ask you, but it appears to have your signature approving, or your initials approving, and you may examine it and state if you did approve the bill.

(A document was handed to the witness.)

Mr. HOFFA. I would imagine, looking at the bill, that this is a routine approval that is typed in on the left-hand corner, and after I signed the voucher I assume that they simply typed on the fact that I had approved the payment by signing the voucher. That is what it looks like to me.

The CHAIRMAN. What are the initials over there in handwriting? I was not sure about that.

Mr. HOFFA. It is on the left-hand corner, typed in, "JRH", and it says, "Payment has been OK'd, per JH."

The CHAIRMAN. All right.

Mr. KENNEDY. Mr. Hoffa, was not this drawn to your attention at the time?

Mr. HOFFA. It could very easily have been.

Mr. KENNEDY. Were you not surprised that Mr. Baker had spent so much money?

Mr. HOFFA. Very easily I could have been surprised.

Mr. KENNEDY. I am not asking you about that, but is it not a fact that you were surprised?

Mr. HOFFA. Listen, Senator, please. You can have Mr. Kennedy tell me, if he will, whether or not Marge Bellows in Chicago talked to me about this bill and if she did I will try to answer, because I talked to Marge Bellows about bills from the Shoreland Hotel quite regularly, and if this is one of them I will be quite happy to say I did or I didn't.

Mr. KENNEDY. I don't know who Marge Bellows is. Is she the owner?

Mr. HOFFA. Her husband owns it, and she, I believe, owned the majority control of the hotel.

Mr. KENNEDY. Was it not a fact it was Mrs. Bellows that talked to you, and you expressed some chagrin about it, and this was brought to the attention of Barney Baker, and that is what brought about Barney Baker trying to choke Mr. Bellows.

Mr. HOFFA. It could have been brought to my attention and it was the amount of money that was there, and perhaps there was something surrounding it other than the very bill, and we owed the bill and I would have paid the bill or OK'd the bill to be paid to the hotel. We are not in the habit of running up bills and not paying them, and we take care of our own responsibilities after we pay the bill.

Mr. KENNEDY. Did you do that in connection with Barney Baker?

Mr. HOFFA. I might have.

Mr. KENNEDY. It does not do any good for you to say "I might have" or "I might have, and perhaps I did" I want to get some answer from you.

Mr. HOFFA. If you tell me——

Mr. KENNEDY. I think I told you about everything.

Mr. HOFFA. If you say I talked to her, I will say I did, because I talk to her quite regularly at the hotel, and it may have been in one of our conversations that she brought it to my attention and I approved it. I would have anyway.

The CHAIRMAN. Do you recall the incident about that bill in which a controversy was raised about it or where it was questioned, and you expressed yourself as disappointed or surprised at the bill, and did you then learn about the attempt of Mr. Baker to choke her husband? Do you recall that?

Mr. HOFFA. I knew that Baker had a problem in the hotel. How serious it was——

The CHAIRMAN. What do you mean, a problem?

Mr. HOFFA. He got into an argument with the owner of the hotel and how serious it was, I don't know to this moment. I heard a dozen variations of how serious it was. But Marge would have probably called me if the bill was out of line, and if they did I would have approved the bill if it was charged.

The CHAIRMAN. You probably would have gone ahead and approved the bill, and I can understand that, but do you recall the incident that you were disappointed or surprised at the amount of the bill and the way it was handled?

Mr. HOFFA. Offhand I don't even recall the bill and it was just a routine transaction.

The CHAIRMAN. Unless there was some disapproval on your part, or some surprise, or expression of doubt about the validity of it, although you went ahead and paid it, I do not understand why Baker would get provoked and undertake to choke the hotel proprietor.

Mr. HOFFA. I can't answer that, Senator.

The CHAIRMAN. I thought maybe you would remember something about it.

Mr. HOFFA. I don't deny that I talked to Marge, and I talk to her quite often, and she may have brought it to my attention, and if she did I would have ok'd it, but I don't recall.

The CHAIRMAN. Do you recall reprimanding Baker about it?

Mr. HOFFA. I talked to Baker about the question of Chicago, not only in this situation, and I talked to him about the situation concerning the mattress company.

The CHAIRMAN. Do you recall that the lady that you speak of, when she presented the bill to you, told you about the bill being run up that way, and that you asked them to try to get the money out of Baker? Do you recall that?

Mr. HOFFA. When was this, Senator?

The CHAIRMAN. At the time the bill was made.

Mr. HOFFA. Let me look at the date. What was the date?

The CHAIRMAN. The particular date would not be important, and I would not know what date she called you and what day you had your discussions.

Mr. HOFFA. You said you want to know that?

The CHAIRMAN. I said I did not know, and I do not think that that particular date has any significance. It is not a question of whether she called you on a Friday or a Monday or the 31st or the

15th. That would not be important. But do you recall the incident in which you instructed her to try to get the money out of Baker, and it was her effort to do that or his effort to do that that caused the trouble.

You would only instruct her to do that, I assume, if you thought this was an excessive bill, and that Baker had exceeded his authority over spending his money carelessly.

Mr. HOFFA. I am trying to think about the conversation. It might come to me in a moment, and as we go along here, but quite offhand I don't know.

The CHAIRMAN. If it comes to you, let us know.

Mr. KENNEDY. The amount of the telephone bills, did that raise any question in your mind?

Mr. HOFFA. I wouldn't see this bill, Mr. Kennedy, don't you understand? This bill doesn't come to my office, and this bill goes to St. Louis. St. Louis approves the bill. Nothing comes to my office on a question concerning the expenditure of Baker, and it doesn't itemize the expenditure.

Mr. KENNEDY. Do you know or did you learn of the fact that he had several hundred dollars of telephone calls?

Mr. HOFFA. Yes; he had telephone calls wherever he stayed, because much of his work is done on the telephone.

Mr. KENNEDY. Did you inquire into these telephone calls, the excessive amount of the telephone calls?

Mr. HOFFA. Who he made the calls to or the amount?

Mr. KENNEDY. The amount of the telephone calls.

Mr. HOFFA. I am always after him about the amounts, and I was probably after him about the hotel bill and the amount.

Mr. KENNEDY. Did you make him pay or inquire into it further as to how this money had been used in these telephone calls and who he was telephoning?

Mr. HOFFA. I don't think that I specifically asked him.

Mr. KENNEDY. The union paid for those?

Mr. HOFFA. That would be right.

Mr. KENNEDY. How much was the telephone calls and how much did it cost the union?

Mr. HOFFA. I thought you said a couple of hundred dollars.

Mr. SALINGER. In this period, from May of 1956, to May of 1957, the amount was \$929.65. That is just the Shoreland Hotel.

Mr. KENNEDY. That is just the Shoreland Hotel.

Mr. HOFFA. That is the total bill?

Mr. KENNEDY. That is correct.

Mr. HOFFA. Didn't you say the other day a couple of hundred dollars?

Mr. KENNEDY. This is just Baker's telephone calls.

Mr. HOFFA. I am talking about the bill that was handed to me, the question was asked about the telephone calls on that bill.

Mr. KENNEDY. No; this is something else.

The CHAIRMAN. In other words, to straighten this out, he was not asking you just about the telephone calls on this particular bill, but Baker's telephone calls generally, the amount of bills that he submitted for telephone calls, and did it not arouse your interest or suspicion.

Mr. HOFFA. Senator, as I stated, I don't see those bills when they come into the office.

The CHAIRMAN. Here is the thing about it, a lot of these calls were made to characters that I wonder whether you would approve or would not, I would not know. But the union was paying for those calls to these disreputable characters, and these bills appear to be rather high. I wondered if it came to your attention, and if you got concerned about it, and if so, what you did about it.

Mr. HOFFA. No specific phone call was brought to my attention, but Baker's bill was constantly being brought to my attention as being excessive, and I constantly kept after him to cut the bill down, sir.

The CHAIRMAN. Now, in finding it excessive, would you not examine the bills to ascertain what the expenditures were made for, if you had learned they were excessive?

Mr. HOFFA. I would leave that to the St. Louis office to raise the question.

The CHAIRMAN. In other words knowing the bill was excessive and complaining about it, you would not inquire into it because of the excess?

Mr. HOFFA. I think the total bill would have been inquired into by the St. Louis office, and when the voucher came through I would have raised a question concerning the amount of money that the check was signed for, and the bills paid. But I don't recall any specific phone calls made to individuals ever being discussed.

Senator IVES. I would like to ask Mr. Hoffa if he always found Mr. Baker to be honest?

Mr. HOFFA. I haven't found Baker to be other than honest, except that he makes phone calls once in a while.

Senator IVES. He probably has been a little different with you than he led the committee to believe he is, then. He led the committee to believe that except when he is under oath he constantly tells little white lies, as he calls them.

Mr. HOFFA. I heard him testify.

Senator IVES. I thought you did. You would not think the testimony he gave would lead one to believe he was a very honest person, would you?

Mr. HOFFA. Senator, he is a great organizer, and every one of us has some faults.

Senator IVES. I am not talking about what he is; I am talking about what he is not.

Mr. HOFFA. Some of us have faults, all of us do, and he may in some instances make such statements as he made, but generally Baker does a job he is sent out to do.

Senator IVES. That may be, and I do not know what is the job he is sent out to do.

Mr. HOFFA. That is organizing.

The CHAIRMAN. All right.

Mr. KENNEDY. If these associations do not disturb you, and these excessive bills do not disturb you, did it disturb you during the testimony of Mr. Callahan about the payments that he had been making to Barney Baker?

Mr. HOFFA. When he gets in a position to be able to discuss the matter with him, I will very definitely take those questions up with Baker.

Mr. KENNEDY. Did this disturb you at all?

Mr. HOFFA. Well, it certainly did if it is true.

Mr. KENNEDY. Well, now, this has been going on. Mr. Hoffa, I would think that you would be able to get from this man's background and experience of what he had been doing, and his associations, and what the police departments in the various sections of the country were saying about him, in New York and St. Louis, and his associations, and yet you kept him on during all of this time, until this committee made these revelations—how can you possibly explain that?

Mr. HOFFA. Well, Senator, I listened to the testimony concerning Baker, and from the St. Louis Police Department, and I listened to Keating testify and I didn't hear Keating say anything about Baker to any extent except that he thought this, and he thought that. In my opinion, he is no law enforcement agent or no expert.

Mr. KENNEDY. He said he had gone to the penitentiary and he had a bad record.

Mr. HOFFA. Which is a matter of record and he didn't have any brilliancy to get that all at once, and he can get it by a 3-cent stamp. So the answer to it is that Barney Baker was hired to do a job, and while he had been in our employment Barney Baker hasn't been convicted nor to my knowledge indicted in any particular incident that he has handled for the union, and I cannot find anything in the record other than the fact that somebody questioned him in Chicago concerning a gun incident and then released him.

What else has there been since he was with us, Senator?

The CHAIRMAN. It was in St. Louis, I think.

Mr. HOFFA. Excuse me, St. Louis.

Mr. KENNEDY. I think what he has done is clear and his associations, and the fact that I read out the names of the people he has been associated with: "Cockeyed" Dunne, Meyer Lansky, Joe Adonis, Frank Costello, "Jimmy Blue-Eyes," Bugsy Segal, John Vitale, Joe Costello, Lew Farrell, and what else do you want?

What does it take, Mr. Hoffa?

Mr. HOFFA. I think those names attract you a lot more than they attract me, and I say to you that Baker, being in the capacity of organizing and carrying out his position in organizing, that we would have no way of knowing he was talking to these individuals unless he wanted to tell us, and apparently he didn't. So I cannot be expected to reprimand an individual for something I didn't know at the time it was happening.

Mr. KENNEDY. Topping it all off, we had the testimony that an employer was paying him money.

Mr. HOFFA. I told you when Baker gets in a position to be able to talk to, I will discuss the question with Baker. I have heard stories before about people paying money, and whether or not it is true will be decided by a court ultimately if such a thing happened, I imagine. So we will go into that when Baker gets well enough.

Mr. KENNEDY. Did you know he was friendly with these people from Esco, from Callahan's company?

Mr. HOFFA. I knew that Baker was friendly with Weinheimer, and I think he knew him in New York.

Mr. KENNEDY. Did he speak to you about this case?

Mr. HOFFA. I know all about the case, and I told everybody about the case, and I am very familiar with the strike, and very familiar with its problems, and I had a meeting with them I think last Thursday to discuss his problems.

Mr. KENNEDY. Did Barney Baker call you about this matter?

Mr. HOFFA. Yes.

Mr. KENNEDY. Did he call you when he was meeting with Weinheimer?

Mr. HOFFA. He may have; and I imagine he did.

Mr. KENNEDY. And he called you in connection with this particular matter; did he not?

Mr. HOFFA. The strike, you mean?

Mr. KENNEDY. Yes.

Mr. HOFFA. Yes.

Mr. KENNEDY. In fact, you discussed the matter quite frequently with him; did you?

Mr. HOFFA. I must have discussed it with everybody I could get a hold of who I thought could do anything about straightening it out.

Mr. KENNEDY. Did you send him in to Pittsburgh?

Mr. HOFFA. No; I don't think that I directed Baker to Pittsburgh.

Mr. KENNEDY. Do you know who sent him in there?

Mr. HOFFA. I think he went on his own, and I think that was his testimony.

Mr. KENNEDY. I believe he said he was sent.

Mr. HOFFA. I believe he said he was on his own.

Mr. KENNEDY. Does he have authority to go into any section of the country he wishes?

Mr. HOFFA. If it involves the Teamsters Union, and it is necessary to take care of some business, he certainly has a right to go where he has to take care of the problem.

The CHAIRMAN. The committee will take a 5-minute recess.

(Recess.)

(Members of the select committee present at this point in the proceedings: Senators McClellan, Ives, and Church.)

The CHAIRMAN. The committee will come to order.

Mr. Kennedy, call the next witness.

Mr. KENNEDY. Sergeant Mullins.

The CHAIRMAN. Come forward, please.

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. MULLINS. I do.

TESTIMONY OF BERNARD MULLINS

The CHAIRMAN. State your name, your place of residence, and your business or occupation, please, sir.

Mr. MULLINS. My name is Bernard Mullins. I am a police sergeant in the Detroit Police Department. I live at 12125 Wayburn, in the city of Detroit.

The CHAIRMAN. You are a sergeant in the Detroit Police Department?

Mr. MULLINS. Yes, sir.

The CHAIRMAN. How long have you been in the police department?

Mr. MULLINS. Thirteen years.

The CHAIRMAN. You waive counsel?

Mr. MULLINS. Yes, sir.

The CHAIRMAN. All right, Mr. Kennedy, proceed.

Mr. KENNEDY. Sergeant, you were one of the principal investigators in connection with the work of the Culehan grand jury?

Mr. MULLINS. I was, sir.

Mr. KENNEDY. And they looked into some of the activities of certain Teamster officials in Detroit; is that right?

Mr. MULLINS. Yes, sir.

The CHAIRMAN. What year is this?

Mr. KENNEDY. This is 1953?

Mr. MULLINS. Yes, sir.

Mr. KENNEDY. There was an indictment that came out of that grand jury; is that correct?

Mr. MULLINS. Two indictments, sir.

Mr. KENNEDY. There was an indictment relating to Bufalino's activities?

Mr. MULLINS. Yes, sir.

Mr. KENNEDY. A Teamster official in organizing the jukebox and car wash industries in Detroit?

Mr. MULLINS. Yes, sir.

Mr. KENNEDY. And also against Keating, Nicoletti, Marroso, and Fitzsimmons?

Mr. MULLINS. Yes, sir.

Mr. KENNEDY. On charges of taking payoffs from employers?

Mr. MULLINS. Extortion, and conspiracy to extort.

Mr. KENNEDY. Sergeant, were you present when there was a conversation between Mr. James R. Hoffa and the assistant prosecutor, Joseph Rashid?

Mr. MULLINS. Yes, sir; I was.

Mr. KENNEDY. That conversation took place back of the courtroom of Judge Martha Griffiths, of Detroit?

Mr. MULLINS. That is correct.

Mr. KENNEDY. About what time was this?

Mr. MULLINS. It was in the fall of 1953, in the preliminary examination of the matter.

Mr. KENNEDY. Was the preliminary examination involving Lin-teau, Nicoletti, Marroso, and Fitzsimmons?

Mr. MULLINS. That is true.

Mr. KENNEDY. Would you tell the committee what the conversation was as you overheard it?

Mr. MULLINS. During the examination, we had witnesses that were testifying to the fact that certain amounts of money were given to various Teamster officials. The witnesses were somewhat reluctant to testify, and Joseph Rashid was quite strenuous in his examination of the witnesses to extract the information he desired.

A recess was called after one of the witnesses came off the stand, and Mr. Hoffa came back to Joseph Rashid in the rear of the courtroom and he was quite perturbed. He told Mr. Rashid that this wasn't Culehan's indictment, it wasn't the attorney general's indictment. It was an indictment because of his own personal prejudice and hatred towards the Teamsters Union.

Mr. Hoffa then explained to Rashid that it was these particular gifts received were not in the manner or shape or form of extortion, but were merely Christmas gifts, and he said to Mr. Rashid, "Isn't it true that you have taken gifts?" And Mr. Rashid replied that he had received two. One was a carton of cigarettes from a blind man on the counter down in the Recorder's Court Building, and a bottle of Scotch from a personal friend, Joseph Sullivan.

Mr. Hoffa replied that that didn't speak very highly of Mr. Rashid, that he couldn't have too many friends. This time Mr. Rashid told Mr. Hoffa that he had more responsibility to the people and to the members that he represented, and he shouldn't condone conditions that were being testified to from the stand.

Mr. Hoffa asked Rashid if he wouldn't accept any gifts under similar circumstances, and Mr. Rashid replied that he wouldn't. He wouldn't accept any gifts from anybody that he thought may be a foul of the law. Hoffa told Mr. Rashid that he wasn't very broadminded.

The CHAIRMAN. Wasn't what?

Mr. MULLINS. Wasn't very broadminded in these matters.

The CHAIRMAN. Brightminded?

Mr. MULLINS. Broadminded. He said, "I have every politician in town in my office." Mr. Rashid replied, "Well, I have never been there."

Mr. Hoffa told Mr. Rashid that he would see to it that he never got anyplace politically, and he would spend every dime he could get his hands on to see that Mr. Rashid never went anyplace politically.

Hoffa's concern, in the main, in this particular case, was in regards to Frank Fitzsimmons. He told Mr. Rashid that he was persecuting a very fine gentleman, and that this indictment would cause him to lose an opportunity to become on the international board of the Teamsters.

Mr. Hoffa then repeated to Mr. Rashid that he was framing individuals, and he said all he needed was to know who Mr. Rashid would go out with and who he would go with socially, and in the matter of 90 days he could frame him or any individual that he wanted to frame. All he had to do was to know his company.

Mr. KENNEDY. Mr. Hoffa said that he could frame anybody?

Mr. MULLINS. That is correct.

Mr. KENNEDY. And he told Rashid he could have him framed within 90 days?

Mr. MULLINS. In a 3-month period, yes, sir; Mr. Kennedy.

The CHAIRMAN. What was the purpose of this conversation? What motivated it? Why was such a conversation taking place, as you observed?

Mr. MULLINS. Well, it was during the recess following Mr. Rashid's strenuous examination of the reluctant witnesses, and Mr. Hoffa was obviously perturbed.

The CHAIRMAN. Did you regard what he was saying as a threat or implied threat, or an effort to intimidate the prosecutor in any way?

Mr. MULLINS. We discussed it with Mr. Rashid as to what action should be taken, and he passed it off and said, "Oh, forget about it, don't worry about it," that he wasn't concerned about Mr. Hoffa.

The CHAIRMAN. He seemed to not be very concerned about the threat? Or would you call it a threat?

Mr. MULLINS. I didn't call it a threat. When Mr. Hoffa inferred that he could frame Mr. Rashid or anybody else, I assumed that it was more or less in the form of an illustration that he could do such a thing in the matter of 90 days or any given period of time, providing he knew what company he kept socially, who he went out with, who he ate with, who he slept with. He said he could frame him.

The CHAIRMAN. Rashid was assistant prosecuting attorney?

Mr. MULLINS. He was the chief trial attorney for the county of Wayne.

The CHAIRMAN. What is his name and how do you spell it?

Mr. MULLINS. Joseph J. Rashid, R-a-s-h-i-d. He is of Syrian extraction.

The CHAIRMAN. He was an official of the court at that time?

Mr. MULLINS. Yes, sir; he was.

The CHAIRMAN. In the process of performing his duty?

Mr. MULLINS. Yes, sir.

The CHAIRMAN. Are there questions?

Senator IVES. Yes; I have some.

How long ago did all of this occur?

Mr. MULLINS. This was in the fall of 1953, Senator.

Senator IVES. And what is Mr. Rashid now?

Mr. MULLINS. Mr. Rashid is now a circuit court judge in the county of Wayne.

Senator IVES. Then this didn't hurt him in any way, shape, or manner, did it?

Mr. MULLINS. He ran for reelection. There was four judges running for the vacancy, and Mr. Rashid ran first.

Senator IVES. By a large vote?

Mr. MULLINS. Quite a majority, yes, sir.

Senator IVES. Did the people know of this threat or whatever you want to call it, made by Mr. Hoffa?

Mr. MULLINS. Not to my knowledge, sir; no.

Senator IVES. It didn't get around?

Mr. MULLINS. Not to my knowledge, no.

Senator IVES. They will know it after this hearing, I suspect.

Mr. MULLINS. I would assume they will; yes, sir.

Senator IVES. Thank you.

Mr. KENNEDY. What was Mr. Hoffa's state of mind or appearance during this conversation.

Mr. MULLINS. Well, he was obviously perturbed. He was very angry, very perturbed.

Mr. KENNEDY. This case ultimately went to trial, did it? Would you tell us what happened in connection with that?

Mr. MULLINS. Well, the case was assigned to Judge Gillis. Four of the individuals charged, Linteau, Keating, Marroso—the three of them pled guilty, the three I named. Mr. Fitzsimmons was dismissed on a motion of the prosecutor. Nicoletti refused to plead guilty and was taken to trial and subsequently found guilty by a jury.

The CHAIRMAN. Did I misunderstand you? Was it Fitzsimmons in whom Hoffa seemed to be the most interested?

Mr. MULLINS. Yes, sir; that is correct.

The CHAIRMAN. That is the case that was dismissed?

Mr. MULLINS. Yes, sir.

The CHAIRMAN. It did not go to trial?

Mr. MULLINS. It did not, sir.

The CHAIRMAN. The other four were all convicted?

Mr. MULLINS. Three of them pleaded guilty, sir, to charges of conspiracy to extort, and Mike Nicoletti was found guilty by the jury.

The CHAIRMAN. Well, a conviction grows out of a plea of guilty as well as a trial and a jury verdict of guilty.

Mr. MULLINS. Yes, Mr. Chairman.

The CHAIRMAN. The four of them were, either by pleas of guilty or by trial, found guilty.

Mr. MULLINS. That is correct, sir.

The CHAIRMAN. And the other one was dismissed, Mr. Fitzsimmons, in whom Mr. Hoffa manifested the most interest?

Mr. MULLINS. That is correct, sir.

The CHAIRMAN. Of course, you can indict four or five people together. Four of them can be guilty and the other one not guilty. That can well occur.

Mr. MULLINS. That is correct, sir.

The CHAIRMAN. What was the difference, if you heard the examining testimony, what was the difference in the actions of the four who were convicted as related to those of Mr. Fitzsimmons', whose case was dismissed?

Mr. MULLINS. Well, as I recall the testimony, Mr. Chairman, in regards to Mr. Fitzsimmons, the question of a check in the amount of \$500-some-odd, was the strength on which the indictment was first issued. The inability of the prosecution to show that Mr. Fitzsimmons had actually received this check from the witness made it impossible for us to proceed in the matter.

The CHAIRMAN. Did the witness refuse to testify?

Mr. MULLINS. He didn't refuse to testify, sir. He was reluctant to testify.

The CHAIRMAN. He was reluctant to testify?

Mr. MULLINS. Yes, sir.

The CHAIRMAN. Well, of course, if you get into that, I don't know whether the witness was lying to begin with or not. All you know is this conversation took place and the final outcome of it was these cases were transferred to Judge Gillis for trial?

Mr. MULLINS. Yes, sir.

The CHAIRMAN. And four of them—three of them pleaded guilty, one was convicted on trial, and the one against Mr. Fitzsimmons was dismissed?

Mr. MULLINS. That is correct, sir.

The CHAIRMAN. Those are the circumstances?

Mr. MULLINS. In that particular case, yes, sir.

The CHAIRMAN. All right. Proceed.

Mr. KENNEDY. What happened to the Bufalino case?

Mr. MULLINS. Well, originally, Mr. Kennedy, in February of 1954, Judge Gillis was presiding judge. The cases were called up for assignment.

Mr. KENNEDY. Could he take that case as presiding judge?

Mr. MULLINS. Not as presiding judge, no, sir; he could not hear a felony case. Mr. Fitzgerald asked for a 90-day adjournment. There was an argument between Joseph Rashid and Mr. Fitzgerald regard-

ing the adjournment, Mr. Rashid claiming that the adjournment was unnecessary, that the people of the State of Michigan were ready to proceed in the matter. Mr. Rashid accused Mr. Fitzgerald of not acting in good faith in the matter. Mr. Fitzgerald stated to the court that the reason for the 90-day adjournment was for the purpose of an appeal of a ruling handed down by Judge Krause. After considerable argument in front of Judge Gillis, Judge Gillis granted the 90-day adjournment.

In May of 1954 the case was then called up in front of Judge Ricca, and both cases were assigned to Judge Gillis.

The CHAIRMAN. In other words, Judge Gillis had granted the postponement and then when the next—what do you call them—chief judge?

Mr. MULLINS. Presiding judge.

The CHAIRMAN. Presiding judge? Well, that makes him the chief judge for the time being; is that correct?

Mr. MULLINS. Yes, sir.

The CHAIRMAN. The next presiding judge transferred the cases to Judge Gillis court for trial?

Mr. MULLINS. That is correct, sir.

Mr. KENNEDY. Is that an unusual situation, or would you know? If you don't know—

Mr. MULLINS. I don't know, sir.

Mr. KENNEDY. The Bufalino case was tried in front of Judge Gillis?

Mr. MULLINS. Yes, sir; that is correct.

Mr. KENNEDY. And Bufalino was acquitted, was he?

Mr. MULLINS. Yes, sir, he was.

Mr. KENNEDY. Did the people, the State, feel that they received a fair trial in front of Judge Gillis?

Mr. MULLINS. Mr. Rashid has told me and officers that I have worked with, that the people of the State of Michigan did not get a fair trial.

The CHAIRMAN. That would be a matter of opinion; but he was acquitted?

Mr. MULLINS. Yes, sir, he was.

The CHAIRMAN. The case was tried in Judge Gillis' court?

Mr. MULLINS. Yes, sir.

The CHAIRMAN. All right.

Mr. KENNEDY. I believe that is all, Mr. Chairman.

We have an affidavit here from Mr. Rashid, Judge Rashid, in connection with the matters we discussed.

The CHAIRMAN. You may keep your seat for a moment.

This is in the nature of a deposition, that is, questions and answers, but it is an affidavit and it is sworn to by the judge.

Is Mr. Rashid still judge?

Mr. MULLINS. Yes, sir, he is.

The CHAIRMAN. Judge of what court?

Mr. MULLINS. Circuit court, county of Wayne.

The CHAIRMAN. Is that the county in which Detroit is situated?

Mr. MULLINS. Yes, sir; that is correct.

The CHAIRMAN. This affidavit may be printed in the record in full. I will not take time to read all of it at this time unless the members of the committee desire that it be read. I note he says here:

I am judge of the Third Judicial Circuit Court of Michigan—

and he has been such since January 1, 1957. Prior to that he was a chief trial lawyer for Wayne County, working under Gerald O'Brien. He held that position for 8 years. He was holding that position at the time that you testify to?

Mr. MULLINS. That is correct, Mr. Chairman.

The CHAIRMAN. All right, Mr. Counsel. If you wish to read any excerpts from the affidavit, you may do so. It is quite lengthy.

Mr. KENNEDY. I will not read it all. But referring to page 4, Mr. Chairman, the judge was asked:

What did Mr. Hoffa say to you? referring to this conversation.

Answer. My best recollection is that he said to me that this indictment was strictly mine; that I was narrowminded, and then he said to me it was because of my prejudices that this indictment was issued. You want to bear in mind that we were putting in testimony that certain of his agents had accepted gifts in amounts from \$50 to \$100. He said, "Everyone takes Christmas presents—don't you take presents?" and I said, "No; particularly if the person who gives the presents might be under indictment or investigation." He asked if I had ever received any Christmas gifts, and I said I had received a bottle of scotch from Joe Sullivan and a carton of cigarettes from the blind boy downstairs. He said, "That doesn't speak well for you; you don't have any friends." I said, "Mr. Hoffa, regardless of how you feel, I feel that a man in your position in the labor union has a moral duty to the people in this town and the men you represent to prevent this sort of thing that is being testified to here." Then he said to me, "Well, you're not very broadminded. I have had every politician in town in my office," and I said, "I am not a politician, I guess. Because I am not, I've never been to your office." He said, "What is more, you won't ever get anywhere politically in this town. These fellows are being framed. It is easy to frame anybody." He was not threatening me with framing me in any way. But he said he could even frame me or anyone else. He could find out where you went, who you were associated with socially, and so forth, and in a few months' time he would know all about you. I said, "Could be. There is the record, Jim; these checks speak louder than any witness." That, to my recollection, is the sum and substance of the conversation at that time. And I went on my way, and he went on his.

The CHAIRMAN. Does the affidavit pertain to other matters?

Mr. KENNEDY. Yes, Mr. Chairman.

The CHAIRMAN. Any that we have interrogated Mr. Hoffa about this afternoon?

Mr. KENNEDY. Yes, Mr. Chairman.

The CHAIRMAN. Read another pertinent part or two of it.

Mr. Hoffa may see this affidavit. He may have the opportunity to see it. I am trying to expedite it. Read any other pertinent part of it.

Mr. KENNEDY. He was asked about any conversations. [Reading:]

Question. Do you know Jack Gilmore?

Answer. Yes, I do. At that time he was assistant prosecutor. I was assigned to the police grand jury at that time by Judge John P. O'Hara. When the second case came up for trial I had to go back to the grand jury. The only case he tried then was Nicoletti alone.

Question. Do you recall Mr. Gilmore receiving a telephone call during the course of the trial while he was in the courtroom?

Answer. From anyone in particular?

Question. Specifically, James R. Hoffa.

Answer. All I recall about that is this: I don't know if he got it in the courtroom, at his office, or at home. But one day he summoned me and Mr. Garber, chief assistant prosecutor, to Mr. O'Brien's office and we had a conference and he said that he had a call from someone who identified himself as Jimmy Hoffa, and who asked to talk with him. Mr. Gilmore reported to the three of us—O'Brien, Garber, and myself—that he had declined to discuss the matter with Mr. Hoffa. I have no recollection of anything further at the con-

version. Mr. Gilmore was rather upset about it. He chose to report it to us, even though he declined to discuss the case with Mr. Hoffa.

We have discussed the matter with Mr. Gilmore, Mr. Chairman, and my questions to Mr. Hoffa were predicated on the conversations with Mr. Gilmore, rather than this supporting information here. [Continuing:]

Question. Do you know the name John Wolke?

Answer. Yes, I know the name John Wolke.

Question. Did you ever have any connection with a case involving John Wolke?

Answer. Yes, I did. I tried John Wolke for abortion and convicted him in this court. I do not recall the exact year.

Question. Did you enter the case from the time of his arrest?

Answer. Yes, I was called the night he was arrested, and recommended the issuance of a warrant.

Question. Were there any postponements?

Answer. Motions filed and postponements. Ultimately an appeal to the Supreme Court.

Question. Made by whom?

Answer. Mainly by the defense counsel. After the conviction the counsel who defended him at the trial dropped out and there was subsequently a new counsel.

Question. Was there any outside interest, other than defense counsel, in these postponements of Wolke?

Answer. From time to time we had people telephone me or Mr. O'Brien asking us to accede to requests for adjournments. Who the people were in the main, I don't recall.

Question. Were any of these requests, by any means or communication, made by James R. Hoffa?

Answer. Not by him directly. I at no time received any such requests from Mr. Hoffa. In fairness to the situation, none were made directly.

Question. Was any request made in which it might be construed that it was connected with James Hoffa?

Answer. I don't recall who it was that called and reported that James Hoffa had asked him to call me to ask for an adjournment. Again, I want to be positively honest. I can't say whether the person was authorized to call for Mr. Hoffa or not. Someone had asked this party to call. I have no way of knowing, and have never made an attempt to find out if Mr. Hoffa did ask that person to call. It is conceivable the caller might think it might have some influence.

Question. You don't recall who it was that called?

Answer. No. People would make comments on the street, and by telephone, and it seemed to attract some interest. This chap had quite a record of abortions and we were anxious to put the case into operation. Is there anything further that you want to ask me?

That is subscribed and sworn to.

The CHAIRMAN. The affidavit is ordered printed in the record.

(The affidavit referred to follows:)

INTERVIEW

Of: Judge Joseph G. Raschid.

By: Sherman S. Willse.

On: Saturday, September 13, 1958, in suite 1801, City County Building, Detroit, Mich., at 9:30 a.m.

Question. What is your name?

Answer. Joseph G. Raschid, 1726 Boston, Detroit, Mich.

Question. My name is Sherman S. Willse, and I am an investigator with the U.S. Senate Select Committee on Improper Activities in the Labor or Management Field and I show you my credentials.

Answer. Very well.

Question. Judge Raschid, I would like to ask you certain questions, the answers to which would be of great interest to the committee. Are you willing to voluntarily answer the questions I am about to put to you?

Answer. Yes, I have no objections to answering any questions which you might put to me, asking that you bear in mind however, that there are certain questions that I cannot answer because my lips are sealed pursuant to the Michigan Grand Jury Act.

Question. What is your present occupation?

Answer. I am judge of the Third Judicial Circuit Court of Michigan.

Question. How long have you held that position?

Answer. Since January 1, 1957.

Question. And prior to that?

Answer. I was chief trial lawyer for Wayne County, working under Gerald O'Brien. I held that position for 8 years.

Question. During what time?

Answer. From January 1, 1949, until December 31, 1956.

Question. During the period of time that you were connected with the prosecutors office were you assigned to any cases involving the Teamsters Union?

Answer. Yes. Mr. O'Brien filed a petition with the circuit court asking for the appointment of a grand jury to investigate certain activities of the Teamsters Union and Judge Culehan was named. I was the assistant prosecuting attorney in charge. After the indictments were issued against some of the Teamsters, Local 985 and other locals, I handled the preliminary examination and the trial of some of those cases. I handled the trial for two cases, one with seven defendants and the other with five defendants.

Question. In the case where you mention the seven defendants, is this the matter involving William Bufalino and local 985.

Answer. Yes, that is the case and at the same time we issued indictments against Keating, Lintean, Nicoletti, Marroso, and Fitzsimmons. Both indictments were issued at the same time—Bufalino case first—then Keating, Lintean.

Question. In the Bufalino case do you recall a motion made by Attorney George Fitzgerald for a 90-day continuance?

Answer. Yes, I recall both those cases were set for trial, and to my best recollection it was in February of 1954 in the recorder's court, and at that time George Fitzgerald asked for a 90-day continuance for the purpose of appealing from certain interlocutory orders. He filed certain motions which the judges had denied in recorder's court, and he was going to take an appeal from that denial.

Question. What action was taken?

Answer. We objected to any adjournment, and we were attempting to proceed to trial as expeditiously as we could before the grand jury would expire as a matter of law.

Question. Was that motion granted and by whom?

Answer. By Judge Gillis, who was then presiding judge in recorder's court. He was the one who assigned the cases to the other judges for trial.

Question. At the termination of this 90-day continuance did it come up for trial?

Answer. It did, before another judge sitting as presiding judge.

Question. What is his name?

Answer. Judge John Ricca.

Question. Was it assigned, and to whom?

Answer. Yes, it was assigned to one of the judges who was trying felony cases at the time, Judge Gillis. And we tried the Bufalino case first and immediately after that the Nicoletti-Keating case was tried. However, in the Nicoletti-Keating case, Fitzsimmons was dismissed before we went to trial and all the other defendants excepting Nicoletti pleaded guilty to the felony charge of conspiracy. Nicoletti stood trial and was found guilty. All others pleaded guilty and I am sure that some were sentenced to Jackson Prison.

Question. Now, do you recall during that case a conversation with James R. Hoffa in the corridor outside the courtroom?

Answer. There was one conversation but it wasn't during the trial of the cases; it was during the preliminary examination before Judge Martha Griffiths of the recorder's court, now Congresswoman Martha Griffiths.

Question. Who was present during this conversation?

Answer. As I say, it was during the preliminary examination and she was sitting as examining magistrate and we were showing probable cause. It was in the course of the Keating-Lintean case and we were putting in testimony to the effect that certain employers—trucking firms—had been making gifts to various teamsters, then the defendants in the case. We were putting evidence

in of the checks and it was during the recess during that examination—is that the conversation you are referring to?

Question. Yes.

Answer. There was only one direct conversation that I recall with Mr. Hoffa during the course of the case. Present were Lieutenant Lee, now Inspector Lee, Detroit Police Department, and Sergeant Mullins and Sergeant O'Neil, both of the Detroit Police Department, and George Fitzgerald. I am not sure if Joseph Sullivan who was with me at the trial was present, or Irving Beatie, assistant attorney general. During parts of the conversation there were a couple of newspaper reporters nearby. I assume that is the conversation you are referring to and that you have information from other sources.

Question. That is correct. What did Mr. Hoffa say to you?

Answer. My best recollection is that he said to me that this indictment was strictly mine; that I was narrow minded, and then he said to me it was because of my prejudices that this indictment was issued. You want to bear in mind that we were putting in testimony that certain of his agents had accepted gifts in amounts from \$50 to \$100. He said, "Everyone takes Christmas presents—don't you take presents?" and I said, "No—particularly if the person who gives the presents might be under indictment or investigation." He asked if I had ever received any Christmas gifts, and I said I had received a bottle of Scotch from Joe Sullivan and a carton of cigarettes from the blind boy downstairs. He said, "That doesn't speak well for you—you don't have any friends." I said, "Mr. Hoffa, regardless of how you feel, I feel that a man in your position in the labor union has a moral duty to the people in this town and the men you represent to prevent this sort of thing that is being testified to here." Then he said to me, "Well, you're not very broadminded. I have had every politician in town in my office," and I said, "I am not a politician, I guess. Because I am not, I've never been to your office." He said, "What is more you won't ever get anywhere politically in this town. These fellows are being framed. It is easy to frame anybody." He was not threatening me with framing me in any way. But he said he could even frame me or anyone else. He could find out where you went, who you were associated with socially, etc., and in a few months time he would know all about you. I said, "Could be. There is the record, Jim; these checks speak louder than any witness." That, to my recollection, is the sum and substance of the conversation at that time. And I went on my way and he went on his.

Question. You mention, Judge, that he said you had prejudices. What do you think he meant?

Answer. I don't know, excepting I suppose when he used the word prejudice he used it as synonymous with being narrow minded. The practice of accepting gifts was a usual thing. In other words, that this should be condoned. Now, that is the best construction that I can put on it. Now, that was the only conversation that I can recall that I had with him. Obviously there were times when I talked with him in the grand jury, but of course my lips are sealed by grand jury law.

Question. Did you have any other conversations?

Answer. Just those that were in the grand jury. I recall none other than the one that occurred outside the court.

Question. Do you know Jack Gilmore?

Answer. Yes, I do. At that time he was assistant prosecutor. I was assigned to the police grand jury at that time by Judge John P. O'Hara. When the second case came up for trial I had to go back to the grand jury. The only case tried then was Nicoletti alone.

Question. Do you recall Mr. Gilmore receiving a telephone call during the course of the trial while he was in the courtroom?

Answer. From anyone in particular?

Question. Specifically, James R. Hoffa.

Answer. All I recall about that is this. I don't know if he got it in the courtroom, at his office, or at home. But one day he summoned me and Mr. Garber, Chief Assistant Prosecutor, to Mr. O'Brien's office and we had a conference and he said that he had a call from someone who identified himself as Jimmy Hoffa, and who asked to talk with him. Mr. Gilmore reported to the three of us—O'Brien, Garber and myself, that he had declined to discuss the matter with Mr. Hoffa. I have no recollection of anything further of the conversation. Mr. Gilmore was rather upset about it. He chose to report it to us, even though he declined to discuss the case with Mr. Hoffa.

Question. Do you know the name of John Wolke?

Answer. Yes, I know the name John Wolke.

Question. Did you ever have any connection with a case involving John Wolke.

Answer. Yes, I did. I tried John Wolke for abortion and convicted him in this court. I do not recall the exact year.

Question. Did that conviction stand?

Answer. Yes, it did. I went to the Supreme Court—it was a State Police case, assisted by some Detroit Police Officers.

Question. Did you enter the case from the time of his arrest?

Answer. Yes, I was called the night he was arrested, and recommended the issuance of a warrant.

Question. Was he released on bail?

Answer. Ultimately he was. First it was a high bond and subsequently reduced.

Question. Were there any postponements?

Answer. Motions filed and postponements. Ultimately an appeal to the Supreme Court.

Question. Made by whom?

Answer. Mainly by the defense counsel. After the conviction the counsel who defended him at the trial dropped out and there was subsequently a new counsel.

Question. Was there any outside interest, other than defense counsel, in these postponements of Wolke?

Answer. From time to time we had people telephone me or Mr. O'Brien asking us to accede to requests for adjournments. Who the people were in the main, I don't recall.

Question. Were any of these requests, by any means or communication, made by James R. Hoffa?

Answer. Not by him directly. I at no time received any such requests from Mr. Hoffa. In fairness to the situation, none were made directly.

Question. Was any request made in which it might be construed that it was connected with James Hoffa?

Answer. I don't recall who it was that called and reported that James Hoffa had asked him to call me to ask for an adjournment. Again, I want to be positively honest. I can't say whether the person was authorized to call for Mr. Hoffa or not. Someone could call me and say that he was asked to call by Mr. Hoffa, and that such a request was made with the statement that Mr. Hoffa had asked this party to call. I have no way of knowing, and have never made an attempt to find out if Mr. Hoffa did ask that person to call. It is conceivable the caller might think it might have some influence.

Question. You don't recall who it was that called?

Answer. No. People would make comments on the street, and by telephone, and it seemed to attract some interest. This chap had quite a record of abortions and we were anxious to put the case into operation. Is there anything further that you want to ask me.

Question. I think that is all I want to ask you at this time.

Answer. I believe I asked you, Mr. Willse, when you indentified yourself a while ago—I assumed you were directed by the committee to ask me these questions.

Question. That is correct. Judge, do you have any objections to signing this statement—with your answers to my questions, under oath?

Answer. No, I have no objection to signing this statement. Everything I have said here is the truth. Frankly, I note that in the course of your investigation, apparently you have gotten information about these things and you approached me on these questions. I have no objection at all. You people, in the course of your investigation, have found these matters, and as far as I am concerned, everything is the truth that I have given you in my answers.

Question. Thank you very much Judge.

I have read this statement consisting of eight pages and it is true to the best of my knowledge and belief.

(Signed) JOSEPH G. RASHID.

Subscribed and sworn to before me this 13th day of September 1958.

[SEAL]

LOUIS I. FLATTERY,

Notary Public, Wayne County, State of Michigan.

My commission expires August 16, 1960.

The CHAIRMAN. Is there anything further of this witness?

Senator IVES. I don't want to ask this witness anything, but are we going to have Mr. Hoffa around here to answer some of these charges?

The CHAIRMAN. Yes. Mr. Hoffa is present, and the purpose of this, before these witnesses leave, is that they might testify in his presence and give him an opportunity to hear it.

Senator IVES. Mr. Chairman, this thing shapes up as something pretty serious. Here we find a condition where union funds are being used to elect officials to public office who, presumably, will be under the command or control, at least, of the union leaders, or a union leader. Then, on top of that, we find a condition wherein, if that isn't sufficient, apparently, public officials are being threatened with extinction when it comes to public life, if they don't toe the line as they are ordered to toe the line by certain union leaders or a certain union leader.

Not having heard Mr. Hoffa, I am not going to pass judgment on this until we do. But it seems to me that this is a very serious situation, and it is one that ought to be brought to the attention of every community in the United States. If there is laxity in law enforcement, this has a great deal to do with it. Until we get the American people roused at the source, at the base, we are not going to get very far in this matter. We can pass all the laws we want, but in the final analysis, the cure rests with the people themselves in their own communities.

I apologize for taking all of this time.

The CHAIRMAN. The Chair would make this observation: The relevancy of this testimony goes to the question of, primarily, political contributions, and the purposes for which they are made. There are those who think unions should not be permitted to make a political contribution out of union funds. That is one of the subject matters, as my colleague knows, that this committee is charged with looking into. It is one of the matters that it determined it would look into.

Rather than to call these witnesses back at a later day, when we may go into that field more or less exclusively, I thought we might as well make this a part of the record while we have Mr. Hoffa here, and while he has the opportunity to refute it or explain it, or make any statement about it he wants to. Mr. Hoffa has been interrogated some about it already this afternoon. However, we didn't want to keep these witnesses over.

Senator IVES. Mr. Chairman, I am in full accord with what you are doing.

The CHAIRMAN. All right, then.

Thank you very much.

Mr. MULLINS. Thank you, Mr. Chairman.

The CHAIRMAN. Call the next witness.

Mr. KENNEDY. Mr. Joe Schneiders.

The CHAIRMAN. Will you be sworn, please? Do you solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. SCHNEIDERS. I do.

TESTIMONY OF JOSEPH A. SCHNEIDERS

The CHAIRMAN. State your name, your place of residence, and your business or occupation, please?

Mr. SCHNEIDERS. My name is Joseph A. Schneiders. I live in a small town outside of Jackson, Mich., Horton, Mich., 141 Main Street, and I am the minister of the Universal Church there.

The CHAIRMAN. A minister?

Mr. SCHNEIDERS. Yes, sir.

The CHAIRMAN. Mr. Schneiders, you waive counsel, do you?

Mr. SCHNEIDERS. Yes, sir.

The CHAIRMAN. Do you also operate a business?

Mr. SCHNEIDERS. No, sir. No longer.

The CHAIRMAN. Did you formerly operate a business?

Mr. SCHNEIDERS. Yes, sir.

The CHAIRMAN. What was the nature of the business, Mr. Schneiders?

Mr. SCHNEIDERS. It developed from free-lance writing to writing, directing and producing radio and television shows and publicity and promotion.

The CHAIRMAN. What firm name did you have?

Mr. SCHNEIDERS. Joe Schneiders Associates, Inc.

The CHAIRMAN. All right, Mr. Kennedy.

First, may I ask, just for the record, when you terminated that business enterprise?

Mr. SCHNEIDERS. We tried to dissolve it, but because of some shenanigans I couldn't get the necessary papers to dissolve it. So, legally it is still a corporation, although I ceased to operate within that area around 1953.

The CHAIRMAN. Around 1953?

Mr. SCHNEIDERS. Yes.

The CHAIRMAN. Although it may still be a legal entity, it is not active?

Mr. SCHNEIDERS. I did continue to do free-lance writing until about 2 years ago, though, but not as a corporation, not a corporation.

The CHAIRMAN. You did that individually?

Mr. SCHNEIDERS. That is right, sir.

The CHAIRMAN. And not as an association.

Proceed, Mr. Kennedy.

Mr. KENNEDY. Mr. Schneiders, involved in this also was your wife; is that correct?

Mr. SCHNEIDERS. That is correct.

Mr. KENNEDY. Do you know a Judge Joseph Gillis?

Mr. SCHNEIDERS. Yes, sir.

Mr. KENNEDY. Have you known him for a number of years?

Mr. SCHNEIDERS. Yes, sir.

Mr. KENNEDY. For how many years?

Mr. SCHNEIDERS. I had known him from about 1950—well, about a year prior to that. He married my wife and I in his chambers.

Mr. KENNEDY. Was he interested in your corporation?

Mr. SCHNEIDERS. Yes, he was.

Mr. KENNEDY. This is your enterprise?

Mr. SCHNEIDERS. Joe Schneiders, Inc., yes. He was a vice president and one of the directors.

Mr. KENNEDY. He was the vice president?

Mr. SCHNEIDERS. Yes.

Mr. KENNEDY. When did he become a vice president?

Mr. SCHNEIDERS. He took care of all the legal, necessary legal matters which incorporated us. He was with it right from its beginning.

Mr. KENNEDY. When was that? Just approximately.

Mr. SCHNEIDERS. I would say sometime in 1952, in the fall of 1952, perhaps.

Mr. KENNEDY. Was he to perform any particular service during that time for you?

Mr. SCHNEIDERS. It was his intention—he was the one that suggested that we incorporate. This was completely his idea. I had been a fairly successful free-lance writer. But in the summer or the fall, or late summer or early fall, of 1952, he suggested that we incorporate, that because he was a judge he would be able to throw business our way. That is just about the way he put it.

Mr. KENNEDY. Did he, in fact, obtain some business for you?

Mr. SCHNEIDERS. Just one account; yes.

Mr. KENNEDY. What account was that?

Mr. SCHNEIDERS. The Teamsters television show.

Mr. KENNEDY. Did you understand—

Mr. SCHNEIDERS. I am sorry. There were two accounts. We also handled his political campaign.

Mr. KENNEDY. Did he explain to you that he was a friend of Mr. Hoffa's.

Mr. SCHNEIDERS. He introduced us to Mr. Hoffa; yes.

Mr. KENNEDY. Did he bring you around and introduce you to Mr. Hoffa?

Mr. SCHNEIDERS. Yes; he did.

Mr. KENNEDY. You had a meeting at Mr. Hoffa's office, had you?

Mr. SCHNEIDERS. Yes; we did.

Mr. KENNEDY. And at that time you were trying to obtain some funds, or do some work for the Teamsters?

Mr. SCHNEIDERS. That is right.

Mr. KENNEDY. Could you tell us about the conversation? Did Mr. Hoffa agree to put up money?

Mr. SCHNEIDERS. Well, prior to that, Judge Gillis suggested that if we were going into it—we were going to bring a program to Mr. Hoffa—we should outline it. So I outlined a 13-week series because Judge Gillis had suggested this would be the original approach, and because it is the policy to buy television time in 13-week segments.

The CHAIRMAN. May I ask you at that point if a campaign, a local political campaign, was approaching or imminent?

Mr. SCHNEIDERS. Yes, sir; it was.

The CHAIRMAN. It is just preceding a political campaign?

Mr. SCHNEIDERS. Yes, sir.

The CHAIRMAN. All right.

Mr. SCHNEIDERS. So Judge Gillis, my wife, and I met, and the three of us went to Mr. Hoffa's office in the Teamster Building in Detroit. Mr. Walter McMahon, who is a State legislator, was there, Mr. Bob Holmes and Mr. Frank Fitzsimmons and Bert Brennan, along with Mr. Hoffa.

They asked me what I had in terms of a program, what I had outlined, so I outlined it verbally. Then Hoffa said, "How much is this going to cost me?" And I said, "Well, I would have to find out. I know roughly what the television time would cost, and probably production costs, but it would depend on the elements that went into it, and I would have to spend some time to get the estimate."

He said, "I don't do business that way. How much does it cost?" Judge Gillis nudged me, and I took out a piece of paper and roughly figured it out at around \$1,000 a week, which made around \$13,000. Then to be included, because of the previous discussion, there was to be \$1,300 which was to go to Judge Gillis. I added that to it, and it came out rather roughly around—well, there were some other items. It came around \$15,000. I remember I made it 601 so it would not be a round figure.

Mr. KENNEDY. So you told him \$15,601?

Mr. SCHNEIDERS. Yes.

Mr. KENNEDY. What did he do?

Mr. SCHNEIDERS. He said, "OK, that is fine." He pushed a button and a girl came in, and he said, "Make out a check to Joe Schneiders, Inc., for \$15,601." He asked me if that was the right amount, and I said, "Yes." I said something about "I hope it wasn't too much," and he said, "I get a thousand dollars a day, \$30,000 a month, I can do anything with." At that point I wished I had charged him \$25,000.

Mr. KENNEDY. He said he had \$30,000 a month he could do anything with?

Mr. SCHNEIDERS. That is right.

Mr. KENNEDY. What did he call this fund?

Mr. SCHNEIDERS. He didn't call it. He said nobody ever called him to account for it.

The CHAIRMAN. He could dispose of the money as he saw fit?

Mr. SCHNEIDERS. That is right.

The CHAIRMAN. You said there was some arrangement where the judge would get \$1,300. How was that calculated?

Mr. SCHNEIDERS. We had discussed it previously. The campaign was coming up in April, and Gillis said he could get \$1,300 toward his campaign. He suggested that perhaps it would be a salesman's commission for getting the account. When we got in the office it was—well, Hoffa and myself, my wife, Walter McMahon, and the others we discussed, and he was to be an adviser, he was to be the television adviser. We laughed about it because he didn't know very much about television.

Mr. KENNEDY. But it was discussed in the office in the presence of Mr. Hoffa?

Mr. SCHNEIDERS. Yes, sir.

Mr. KENNEDY. He was to receive this \$100 a week?

Mr. SCHNEIDERS. Yes, sir.

The CHAIRMAN. Mr. Hoffa knew that out of the check he was giving you for \$15,601 it was understood at the time that the judge was to receive \$1,300 of it?

Mr. SCHNEIDERS. That is right.

Senator IVES. Let me ask you a question there. I would like to ask Mr. Schneiders if he considered the charge excessive.

Mr. SCHNEIDERS. No, sir.

Senator IVES. For a business of that type, that is.

Mr. SCHNEIDERS. I don't.

Senator IVES. I did not think it sounded that way, myself.

The CHAIRMAN. Did you need the judge's advice about how to run a television show?

Mr. SCHNEIDERS. No, I didn't. After all, my wife and I were only getting \$75 a week.

The CHAIRMAN. The two of you?

Mr. SCHNEIDERS. Yes, sir.

Mr. KENNEDY. He was getting more than you?

Mr. SCHNEIDERS. Yes, sir.

Mr. KENNEDY. More than both of you?

Mr. SCHNEIDERS. That is right.

Senator IVES. In other words, what he was getting you should have gotten in the way of profit, is that right?

Mr. SCHNEIDERS. Well, we were attempting to build up an organization, our corporation, and so we decided instead of taking it out in excessive salary, we would attempt to buy equipment and that sort of thing.

Senator IVES. You were not getting sufficient salary yourself, were you?

Mr. SCHNEIDERS. No, sir; but I was attempting to build this thing up.

Mr. KENNEDY. Now, were all of the broadcasts used? They started on January 4, 1953, did they?

Mr. SCHNEIDERS. That is right.

Mr. KENNEDY. And they went through March 29, 1953?

Mr. SCHNEIDERS. I don't know the exact dates.

Mr. KENNEDY. But they went for some 13 broadcasts?

Mr. SCHNEIDERS. That is right.

Mr. KENNEDY. Were they all used for the trucking program?

Mr. SCHNEIDERS. They all signed off "Sponsored by Teamsters Joint Council 43," although I believe the last two were political programs involving the judges of Detroit, and I believe the last one was specifically assigned to Judge Gillis.

Mr. KENNEDY. Why was it assigned to Judge Gillis?

Mr. SCHNEIDERS. Originally I had carte blanche to develop these programs as I saw fit, and I thought it was rather good to do something in this particular field. But I had his liaison men from Mr. Hoffa's office, one was Mr. Holmes and the other was Walter McMann. And Mr. Holmes, I would report occasionally to him to get what I needed, films on trucking from the coast and that sort of thing, and Mr. McMann in terms of being available just to put approval on persons I might suggest in terms of putting on the program. About the ninth week or so Mr. McMann said he wanted to have lunch with us at Joe Hewitts, my wife and me, and that is a restaurant in Detroit, and we had lunch there, and at that time he said that the last program, or possibly the last two programs, would be devoted to Judge Gillis.

Mr. KENNEDY. That was in connection with Judge Gillis' campaign?

Mr. SCHNEIDERS. That is right.

Mr. KENNEDY. Did he explain what the situation was as far as Judge Gillis was concerned?

Mr. SCHNEIDERS. I don't understand.

Mr. KENNEDY. Did he say anything about Judge Gillis?

Mr. SCHNEIDERS. Just that we were to promote Judge Gillis.

Mr. KENNEDY. Did he say why they were promoting Judge Gillis?

Mr. SCHNEIDERS. No, I don't think so.

Mr. KENNEDY. Knowing about Judge Gillis' background?

Mr. SCHNEIDERS. No.

Senator IVES. Had you any suspicion as to why they were doing that?

Mr. SCHNEIDERS. Yes, I had.

Senator IVES. Eventually it dawned, did it not?

Mr. SCHNEIDERS. It dawned when a CPA told me exactly what I was, and how it happened, and what had happened, yes.

Senator IVES. What did he tell you?

Mr. SCHNEIDERS. He said the corporation was obviously set up to take care of campaign funds for Judge Gillis and he wouldn't handle it himself and he wouldn't involve such a judge unless I told Judge Gillis about it, which I did, subsequently, because I was attempting to dissolve the corporation, and that is when he saw the CPA.

Mr. KENNEDY. Did you understand that Mr. Hoffa was friendly with Judge Gillis, and had he done any favors for him? If you don't know the answer—

Mr. SCHNEIDERS. Yes, I know, I am sorry. Previously to that, Judge Gillis got into some trouble in Detroit and the Legislature of Michigan was going to impeach him, and Judge Gillis told my wife and me that it was because of Hoffa's influence on the legislature, and because specifically of Walter McMann and Haroldson, who were senators, that this thing had been quashed. This was previous to that.

Mr. KENNEDY. What was the trouble he had been in?

Mr. SCHNEIDERS. He had been picked up as a drunk driver.

Mr. KENNEDY. Now, it is Leon Haroldson, is that right?

Mr. SCHNEIDERS. Yes, sir.

Mr. KENNEDY. Is he in the legislature? I understand he is president of 614. He was in the legislature.

The CHAIRMAN. How did you pay Mr. Gillis?

Mr. SCHNEIDERS. We established an account, credits, \$100 a week was set up or was set aside for Judge Gillis. He received the money in terms of credits when his campaign started.

The CHAIRMAN. What do you mean by "credits"?

Mr. SCHNEIDERS. We got a check from the Teamsters for \$6,200, which was to be paid.

Mr. KENNEDY. This is a second check?

Mr. SCHNEIDERS. Yes, the \$6,200, which was to be used only for Judge Gillis' campaign, and Gillis gave me, I don't remember whether it was money or checks, but I believe it was a check for \$1,500, and so we had \$7,700 to buy advertising, promotional materials and so on, which we did. I have that pretty well listed. A bit of that went over the amount and that made up the \$1,300 and it was deducted from the \$1,300, and also as soon as Judge Gillis was elected he called and said he wanted to drop out of the corporation. So the next day or

next 2 days, Monday or Tuesday, he wanted his \$1,000, as I remember, which he had invested, plus his interest, in the company, and he wanted that. So we did not have that money and my wife and I mortgaged the station wagon and went to the bank and got it, and made up this money, and showed him the credits he had, the \$1,500, and he got that in terms of over his campaign, and just credits, and he did get the value of the \$1,300 specifically, and I do have it itemized.

Mr. KENNEDY. As the books indicate, he got some in cash.

Mr. SCHNEIDERS. That is right, \$800.

Mr. KENNEDY. And a Plymouth station wagon?

Mr. SCHNEIDERS. That was not the \$1,300.

Mr. KENNEDY. I am just asking you what he came out of the corporation with. He got some money in cash, and he got some credit on the political aspects of it, and he received this station wagon when he left, as well as some other cash.

Mr. SCHNEIDERS. That is right.

Mr. KENNEDY. And some checks?

Mr. SCHNEIDERS. That is right.

Mr. KENNEDY. The \$1,300 was given each week in credits to him to be used for political broadcasts, and then plus the Teamsters contributed another \$6,200 for his political broadcasts?

Mr. SCHNEIDERS. That is correct.

Mr. KENNEDY. That was used to promote his candidacy?

Mr. SCHNEIDERS. Yes, sir.

Mr. KENNEDY. All of this money came out, either the broadcasts or the work you did for him politically or checks to him or the Plymouth station wagon?

Mr. SCHNEIDERS. That is right.

Mr. KENNEDY. And right after the election he left the corporation?

Mr. SCHNEIDERS. That is right.

Mr. KENNEDY. Then he got out?

Mr. SCHNEIDERS. That is right.

The CHAIRMAN. This total amount paid you, I believe, was \$22,000-and-some-odd—\$22,669, was paid to you or your company in connection with this transaction?

Mr. SCHNEIDERS. That is right.

The CHAIRMAN. How much of that, based on what the judge got out of it in cash and the time that was spent purely promoting his campaign—how much of that \$22,000 went to Judge Gillis' benefit, either politically or personally?

Mr. SCHNEIDERS. There are some exact amounts, Senator McClellan, but also there are other benefits like having him on the television program.

The CHAIRMAN. I am talking about what that would amount to and the time, and cost of the time he was on the program, and so forth.

Mr. SCHNEIDERS. Well, there were \$6,200 specifically assigned.

The CHAIRMAN. \$6,200 out of this \$22,000 went directly to his campaign?

Mr. SCHNEIDERS. That is right.

The CHAIRMAN. Now proceed.

Mr. SCHNEIDERS. I really don't have the records, Senator McClellan.

The CHAIRMAN. Immediately after the election did you make a settlement with the judge?

Mr. SCHNEIDERS. Yes, sir; about 2 days afterward, around Easter, Easter Monday or Easter Tuesday.

The CHAIRMAN. Do you remember how you settled with him?

Mr. SCHNEIDERS. Yes. We gave him, not exactly, but I know I gave him a check for \$864.52, because I had to get that from the bank.

The CHAIRMAN. Do you remember whether you gave him some other checks or not at a later date?

Mr. SCHNEIDERS. No, sir; I don't believe I did.

The CHAIRMAN. I present you with the \$864 check dated April 10, 1953, and it is the original check, and I ask you to examine it and state if you identify it. I also present to you a second check dated April 20, 1953, to Judge Gillis in the amount of \$277.35. I also present a third check dated April 22, 1953, in the amount of \$68.28. I ask you to examine those checks and state if you identify them.

(Documents handed to witness.)

Mr. SCHNEIDERS. All three of these checks were drawn on the corporation, and were signed by both my wife and myself. They were made out to Joseph A. Gillis and I don't exactly know what you mean in terms of identifying them.

The CHAIRMAN. Those are your checks?

Mr. SCHNEIDERS. Oh, yes.

The CHAIRMAN. They will be made exhibit 179-A, 179-B, and 179-C in the order of their dates.

(The documents referred to were made "Exhibits 179A, B, and C" for reference and will be found in the appendix on pp. 15345-15347.)

Mr. KENNEDY. How much did he invest initially? Do you have that?

Mr. SCHNEIDERS. He invested in cash \$1,350, and a tape recorder which had a value of \$125 and he charged us legal fees for incorporating us of \$525, so he invested \$2,000.

Mr. KENNEDY. He was a judge at this period of time?

Mr. SCHNEIDERS. Oh, yes.

Mr. KENNEDY. That is all.

The CHAIRMAN. Now, the first transaction of \$15,000 he was to get \$1,500 out of?

Mr. SCHNEIDERS. That is right.

The CHAIRMAN. The second check of \$6,200 he was to get all of?

Mr. SCHNEIDERS. That is right.

The CHAIRMAN. And the third check—I have forgotten the amount of it. Is it \$868?

Mr. SCHNEIDERS. That would make up the \$1,300.

The CHAIRMAN. That was a part payment of the \$1,300?

Mr. SCHNEIDERS. That is right.

The CHAIRMAN. All right.

Is there anything further?

Thank you very much.

We will stand in recess until 10 o'clock in the morning.

(Whereupon, at 4:40 p.m. the committee was recessed, to reconvene at 10 a.m., Wednesday, September, 17, 1958.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

WEDNESDAY, SEPTEMBER 17, 1958

UNITED STATES SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D.C.

The select committee met at 10:30 a.m., pursuant to recess, in the caucus room, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator Frank Church, Democrat, Idaho; Senator Irving M. Ives, Republican, New York.

Also present: Robert F. Kennedy, chief counsel; Paul Tierney, assistant counsel; John J. McGovern, assistant counsel; Carmine S. Belino, accountant; Pierre E. Salinger, investigator; Leo C. Nulty, investigator; James P. Kelly, investigator; James Mundie, investigator; John Flanagan, investigator, GAO; Alfred Vitarelli, investigator, GAO; Ruth Y. Watt, chief clerk.

The CHAIRMAN. The committee will come to order.

Call your next witness.

Mr. KENNEDY. Mr. Louis Triscaro, Mr. Chairman, is the next witness.

The CHAIRMAN. What information do you have about him?

Mr. KENNEDY. Mr. Triscaro was served with a subpoena, Mr. Chairman, to appear here with his personal books and records some time ago, and his attorney was notified a week ago that he would be called this morning. As an attorney he had written me a letter stating that he would produce Mr. Triscaro as well as Mr. Presser upon the request of the committee. As attorney he has been very cooperative with the committee, and the subpoena had been served, and we had had these conversations.

The CHAIRMAN. Mr. Lawson, do you represent this witness, Mr. Triscaro?

Mr. BELFORD LAWSON. Yes, and Mr. Presser.

The CHAIRMAN. Do you represent both of them, also Mr. William Presser?

Mr. LAWSON. They are not here, may I say to the committee.

The CHAIRMAN. Will you identify yourself, and I think you have already been identified in one place in the record.

Mr. LAWSON. I am Belford Lawson, District of Columbia bar. I would like to say that I can have those gentlemen here shortly, and there has been some misunderstanding about counsel, but I know where they are, and I think that I can get them here shortly.

The CHAIRMAN. You may call them and have them get here promptly.

Mr. LAWSON. May I say while I am here, are you going to call Mr. Starling?

Mr. KENNEDY. I expect we will, but not until we have the other two.

The CHAIRMAN. Are these witnesses in town?

Mr. LAWSON. Yes, all three of them.

Mr. KENNEDY. We have a situation regarding Richard Kavner.

The CHAIRMAN. Was he to be here today?

Mr. KENNEDY. Yes, Mr. Chairman. Mr. Richard Kavner was expected to be here. He is a lieutenant of Mr. Gibbons from St. Louis. He had submitted a medical certificate stating that he had some difficulties and that he would not be able to appear. That was some 6 or 8 weeks ago, and so we arranged to have him examined by doctors from the Public Health Service, and that is their report.

We then sent him that telegram, and that telegram was received.

The CHAIRMAN. What is the original report?

Mr. KENNEDY. His original report is that he had some difficulty, I believe, dealing with the heart, Mr. Chairman. I do not know what the official medical term was.

The CHAIRMAN. He submitted a medical certificate?

Mr. KENNEDY. Yes.

The CHAIRMAN. Do you have that?

Mr. KENNEDY. We are trying to locate it at the present time. That was the letter that we received from the Public Health Service.

The CHAIRMAN. We will review all of the file and records in connection with this Witness Kavner, and handle the matter a little later during the day.

Proceed and call the next witness.

Mr. KENNEDY. We can call a witness on a different matter that I intended to call this afternoon, Mr. Chairman, while we are waiting for Mr. Triscaro and Presser, and that would be a member of the staff, Mr. Salinger.

The CHAIRMAN. Come around, Mr. Salinger.

TESTIMONY OF PIERRE E. G. SALINGER

The CHAIRMAN. Proceed, he has been sworn.

Mr. KENNEDY. Mr. Chairman, according to newspapers this morning, there was some report that Mr. Hoffa has called or is going to attempt to call a convention in February of next year, to vote on the officers of the International Union of Teamsters. We have made a study of the situation that occurred at the last convention, dealing with union democracy, and we sent out a questionnaire, as you know.

Mr. Salinger is prepared to testify on the results of the questionnaire, and the results of our study that we made in this situation.

The CHAIRMAN. Do you have a copy of the questionnaire?

Mr. SALINGER. I do not have one with me here, but I think we can get it.

The CHAIRMAN. Let us have a copy of the questionnaire so that we can place it in the record.

Proceed, but a copy of the questionnaire will either be printed in the record at this point or made an exhibit after I see it.

Mr. KENNEDY. Now, Mr. Salinger, could you tell us what the situation was?

Mr. SALINGER. I do have a copy of the questionnaire.

(The document was handed to the chairman.)

The CHAIRMAN. This questionnaire will be made an exhibit, exhibit No. 180.

(Document referred to was marked "Exhibit 180" for reference and may be found in the files of the select committee.)

The CHAIRMAN. Proceed.

Mr. KENNEDY. Mr. Salinger, that questionnaire was sent to all of the Teamsters' locals?

Mr. SALINGER. It was sent to every Teamster local in the United States.

The CHAIRMAN. How many are there?

Mr. SALINGER. There are somewhere over 1,000.

The CHAIRMAN. More than a thousand?

Mr. SALINGER. Yes.

The CHAIRMAN. You sent it to every Teamster local of which you had a record or knowledge of?

Mr. SALINGER. We sent it to every Teamster local that is in their book of locals of the Teamsters' Union.

Mr. KENNEDY. Now, Mr. Salinger, we received replies from just a percentage of the locals; is that correct?

Mr. SALINGER. We received replies from 756 locals, but of that number only 437 would be categorized as what we call informative replies. The difference between 437 and 756 would be locals which just sent us a letter saying that they did not care to supply the information, or would supply it at a future date, but they have not supplied it as of now.

Mr. KENNEDY. From what area of the country did we receive the smallest number of responses?

Mr. SALINGER. The smallest number of responses was received from the Central States Conference of Teamsters and the Southeastern Conference of Teamsters.

Mr. KENNEDY. The eastern conference and the western conference answered the questionnaire?

Mr. SALINGER. They replied to the questionnaire; that is correct.

Mr. KENNEDY. Now, could you tell us generally what the results were of a study of the questionnaire, as well as a study of the files of the Teamsters Union themselves, and the credentials committee?

Mr. SALINGER. First, in relation to the questionnaire itself, a study of the answers to the questionnaire revealed that of the locals which answered it, only 14.6 percent actually complied with the requirements of the international constitution of the Teamsters Union in electing their delegates to the convention in Miami.

Mr. KENNEDY. That is out of the 437 that gave you an answer.

Mr. SALINGER. That is correct, sir.

Mr. KENNEDY. 14.6 percent complied?

Mr. SALINGER. That is right. It might be well to bear in mind the provisions of the constitution on this point.

The CHAIRMAN. Let us have those inserted in the record.

This is the principal point, where compliance was lacking, with respect to the article of the constitution you are now about to read?

Mr. SALINGER. That is correct, sir.

Mr. KENNEDY. Read the article.

Mr. SALINGER (reading) :

All delegates to the international convention shall be selected by vote at a regular or authorized meeting of the local union, or such delegates may be appointed by the executive board of the local union if so authorized by a vote of the local union membership at a regular or authorized meeting. All convention delegates, except substitute delegates, shall be selected during the period from the receipt by the local union of the convention call up to the 30th day preceding the 1st day of the convention.

Now, the convention call in this case was issued in June. The convention actually started on October 1. The 30th day before the convention would have been either the 1st or 2d day of September, so that the delegates had to be selected in that period in order to be legally authorized delegates under the Teamsters' own constitution.

The CHAIRMAN. Now, the point that you are making now is that they were not selected prior to 30 days before the date the convention convened?

Mr. SALINGER. That is right.

The CHAIRMAN. That is one point that you are making.

Mr. SALINGER. Yes, sir; some of them were selected, and I will go through some examples here, some were selected before the call for the convention went out.

The CHAIRMAN. Some were selected even prior to the call of the convention?

Mr. SALINGER. That is correct, sir.

The CHAIRMAN. Now, you say "selected," do you mean selected now by election or by designation?

Mr. SALINGER. There are two legal methods, as I have read, under this section to elect delegates. One is by having the delegates elected from the floor of a regularly called meeting of a Teamster local. The second one is to have the executive board designate those delegates.

However, in that case, the executive board must have authorization from the general membership to make such designations.

The CHAIRMAN. In other words, the general membership can do it two ways: They can elect them at a meeting, at a regular meeting, or a meeting called for that purpose?

Mr. SALINGER. That is correct.

The CHAIRMAN. Or at such meeting, they can delegate the power of appointment to the executive board?

Mr. SALINGER. That is correct, sir.

The CHAIRMAN. All right.

Mr. SALINGER. Now, just to give an example as a starter in this matter, we had a witness before the committee last year. He appeared here the 14th of September, his name was James Cliff. He was a delegate of local union 337, Detroit, Mich., the union which is headed by Bert Brennan.

He was asked by counsel at that time whether or not he was a delegate on the national convention, and he said he was. He was asked when was he elected, and he said, "I will be." He was asked when that would be, and he said the meeting was being held that night, that being September 14, 1957.

Now, that election of officers on September 14, 1957, was clearly outside of the date provided for in the international constitution. I

might point out that I have here the executive board minutes of local 337 and they show——

The CHAIRMAN. Of what date?

Mr. SALINGER. This is dated February 1, 1957, where it says:

Brother James Clift made a motion, supported by Brother Walter Schuler, that the personnel of local union No. 337, comprised of Bert Brennan, James Langley, Robert Holmes, Frank Yezbeck, James Clift, Walter Schuler, Charles Burge, Allen Balfour, Cecil Watts, Morris Coleman, Louis Desser, and George Danuk, be elected as delegates to attend the international convention this fall. Motion carried unanimously.

The CHAIRMAN. That was away back in February?

Mr. SALINGER. February 1, 1957.

The CHAIRMAN. Does it appear there that notice was given that delegates would be elected at that meeting?

Mr. SALINGER. This is an executive board meeting.

The CHAIRMAN. That is an executive board meeting?

Mr. SALINGER. The executive board elected the delegates on February 1, 1957, and then took it to the membership on September 14, 1957.

The CHAIRMAN. That was after this investigation was under way, and the procedure was under inquiry by the committee?

Mr. SALINGER. That is correct, sir.

(Committee members present in the hearing room: Senators McClellan, Ives, and Church.)

Mr. KENNEDY. That was in violation of the constitution in two points; is that correct?

Mr. SALINGER. That is correct.

Mr. KENNEDY. One, the date, and, two, the manner in which the delegates were elected.

Mr. SALINGER. That is correct.

Mr. KENNEDY. The executive board under the constitution did not have the right to elect delegates?

Mr. SALINGER. That is right.

The CHAIRMAN. Let me inquire, prior to the February 1, 1957 meeting of that executive board, did you search the minutes of local 337 to ascertain whether the membership had delegated that power to the board prior to that date?

Mr. SALINGER. I cannot state specifically whether we did, Senator. However, even had they done it, the election by the executive board on February 1, 1957, would not have met the provisions of their constitution.

The CHAIRMAN. I understand that would not be in compliance, but I am trying to ascertain whether, according to the constitution, as I understand it, and you studied it, the executive board would have no authority to designate delegates to the convention until and unless the membership themselves delegated that power to the executive board.

Mr. SALINGER. That is correct, sir.

The CHAIRMAN. That power would have to be delegated at a regular meeting of the local?

Mr. SALINGER. That is correct, and, of course, I think the fact that they took this to a regular membership meeting in September would certainly indicate that they had not received prior authorization or there would have been no need to do that.

The CHAIRMAN. That is a very strong circumstance in that direction, but I wondered if you had made the check.

Mr. SALINGER. Not to my knowledge, sir.

Mr. KENNEDY. At least in the minutes we have searched there doesn't appear to be any permission.

Mr. SALINGER. That is correct.

Mr. KENNEDY. I don't know whether we have searched all minutes, but that is on the ones we have searched.

Mr. SALINGER. I might point out, too, that at the time Mr. Clift was testifying before this committee, and saying he was going to be elected that night, his credentials were already in the hands of the Teamsters' Union, having been dated July 12, 1957.

These are the credentials of local 337 in Detroit, Mich.

Mr. KENNEDY. That is Mr. Owen Bert Brennan's local?

Mr. SALINGER. That is correct.

Mr. KENNEDY. And he was elected a vice president at that convention?

Mr. SALINGER. That is correct.

I might say the same situation exactly applies to Mr. Hoffa's own local, 299.

The CHAIRMAN. What happened there?

Mr. SALINGER. We had the testimony before the committee on the same day, of Mr. Bell, who said that his local was going to hold a meeting either that night or during that week, which was in September of 1958, to confirm the election of delegates to the national convention.

The credentials in the name of Mr. Bell and the other delegates of local 299 were dated the 15th of June 1957, and were already in the hands of the Teamsters' Union at the time that he was testifying.

The CHAIRMAN. They get their certificate before they get elected or designated?

Mr. SALINGER. They did in this case, sir.

The CHAIRMAN. All right, proceed.

Mr. KENNEDY. Mr. Salinger, you gave the percentage of 14.6 percent on the questionnaires that were sent out, properly elected delegates.

What is the percentage that we have found from an examination of the Teamsters' records and an examination of the credentials committee as to the properly elected delegates?

Mr. SALINGER. Well, demonstrably illegal by study of both the Teamsters' Union credentials and our survey are 57.6 percent of the votes.

Mr. KENNEDY. That we can prove——

Mr. SALINGER. Prove they are definitely illegal. I might point out, however, that by the same token we can only prove that 8.9 percent of the total votes cast at the convention was legal, from an examination of all these sources, the credentials committee and our questionnaire.

We can only come up with a total of 8.9 percent.

Senator CHURCH. Mr. Salinger, do I understand you to say that on the basis of the data furnished you in this questionnaire that you circulated coming from 437 of the locals, that you can positively ascertain that 57.6 percent of the total vote at the convention electing

Mr. Hoffa was not in conformity with the requirements of the international constitution and, therefore, illegal?

Mr. SALINGER. That is correct.

I might say that we have broken this down into——

The CHAIRMAN. That would be 57 percent of the 437.

Mr. SALINGER. No; this is 57 percent of the total vote cast, 1,661 votes cast.

Senator CHURCH. The total votes cast at the convention electing the present officers of Teamsters?

Mr. SALINGER. That is correct.

I might say that if you notice that the total legal I just stated, 8.9 percent, is lower than the total legal that I stated from our questionnaire, that is because we have taken into account in this 8.9 percent figure all the votes that were cast, and out of the questionnaire there was a higher percentage of legal votes that we can establish than there is in the total vote that we can establish.

Mr. KENNEDY. The votes coming from the eastern conference and the western conference, by and large, elected their delegates in a legal fashion?

Mr. SALINGER. They showed to have a slightly more percentage of legal—the ones that answered our questionnaire had a greater incidence of legal votes than the others.

Mr. KENNEDY. Than the southern?

Mr. SALINGER. And central.

We have broken this down into the total legal votes cast for each candidate that we can establish from these various sources.

The total legal cast vote for Mr. Hoffa that we can establish from these sources is 59 votes, or 4.8 percent of his vote that we can establish as legal.

We can clearly establish that 56.2 percent of his votes was illegal, through a study of these various sources.

By contrast, I might say that 20.7 percent——

The CHAIRMAN. I believe about 39 percent are there in the twilight zone that you do not know whether they are legal?

Mr. SALINGER. Unknown or questioned where we couldn't make a specific determination.

Also, in relation to that we studied the votes of Mr. Hoffa's opponents, Mr. Hagerty and Mr. Lee. We found that of Mr. Hagerty's vote, 20.7 percent proved to be legal votes, and Mr. Lee's, 19.4 percent proved to be legal.

We made a study, just for example purposes, of certain specific locals where these situations arose.

Probably the most flagrant example was the Coal, Gasoline, and Fuel Oil Teamsters, Chauffeurs, and Helpers' Local 563, in New York, which answered our questionnaire on October 16.

In answer to question No. 3:

Set forth the date such delegates were appointed by the executive board of the local union——

they stated October 14, 1957.

This is a week after the convention was over.

Mr. KENNEDY. Did those delegates participate in the convention?

Mr. SALINGER. They did.

Mr. KENNEDY. And they were seated and voted?

Mr. SALINGER. They did.

Mr. KENNEDY. And they weren't elected until a week after the convention was over?

Mr. SALINGER. That is correct.

The CHAIRMAN. Could that just be an inadvertance or typographical error?

Mr. SALINGER. No, sir, because I have a copy of their minutes for October 14, 1957.

The CHAIRMAN. The minutes actually show that?

Mr. SALINGER. That is right.

The CHAIRMAN. So it is not just an error in the date?

Mr. SALINGER. It says here the question of the international constitution of Miami, Fla., was then discussed. It was moved by Brother Thomas Kuiwan and seconded by Brother Thomas Oswald to ratify the arrangements previously made by the full time officers and delegates to save expenses by sending only a single delegate, Thomas J. Riley, to the convention, and granting him \$500 for such purpose.

Motion carried unanimously.

So it refers to the arrangements made by that full time officer and delegates and, of course, no previous action of any kind in this case.

The CHAIRMAN. I think I follow you, but does that appear to be an attempt to ratify the legality of the delegates, to make legal by some ratification after the convention was held?

Mr. SALINGER. That is hard to say just what they were trying to do. You know, under any circumstances, it would not be a legal ratification.

The CHAIRMAN. I understand that.

Mr. SALINGER. Then it appears that they were trying to give some legality to the action they had taken, yes.

The CHAIRMAN. All right.

Mr. SALINGER. I will run through some of these examples.

Local No. 7, in Kalamazoo, Mich. The minutes submitted to the credentials committee state that these delegates were selected by the executive board in July and approved by the membership on September 8, 1957.

The credentials of the delegates to the convention show that they were credited on June 21, 1957. That would be before even the executive board met and discussed the delegates from that local.

The CHAIRMAN. The names had been sent in even before the executive board acted?

Mr. SALINGER. That is correct.

The CHAIRMAN. Again, had the executive board been authorized by that local to act?

Mr. SALINGER. Well, if that particular executive board had had prior authorization, the July period would have fallen within the correct time for them to elect their delegates; that is true.

The CHAIRMAN. Do you know whether they had that prior authorization?

Mr. SALINGER. We do not, but they took the matter to the membership on September 8, which indicates, again, that they did not have the prior authorization or they would not need to have the action ratified again.

The minutes of local 89, in Louisville, Ky., state the delegates were approved by the membership at a meeting in September. The credentials show the delegates were accredited on August 8, 1957.

Local 107, in Philadelphia, Pa., the delegates were selected by the executive board on June 17, 1957, and approved by the membership on September 15, 1957.

The credentials of the delegates were issued on July 11, 1957.

The CHAIRMAN. Are those just samples or examples of what you found?

Mr. SALINGER. That is correct. We have taken some examples.

The CHAIRMAN. You are not undertaking to testify that these figures you have given are absolutely accurate. They are just what you have discovered from examination, insofar as you were able to get information?

Mr. SALINGER. That is correct, sir.

The CHAIRMAN. But it is enough to show the general trend or to show that, certainly in many instances, the constitution is not being followed, and that the membership is not being given the opportunity to express and make choice of their own delegates.

Mr. SALINGER. We made what we consider a representative study of these credentials, the minutes of the credentials committee of the convention, and then, of course, our own questionnaire to try to arrive at some approximation of what the legality of the election of these delegates to this convention was.

The CHAIRMAN. Do you have a complete file on this phase of the inquiry now that you are discussing, the legality of the last convention, the delegates who attended, and the manner in which they were selected?

Mr. SALINGER. I have a number of memorandums which have been prepared at my direction on this subject.

The CHAIRMAN. What I want to do is to take your whole file with respect to this subject matter, the questionnaires, and all of your work on it, and what you found, and make it, in bulk, an exhibit so that we can preserve it.

In other words, we can check, if need be, the actual records against the summary of testimony that you have given.

Mr. SALINGER. We still have possession, I think, of all the credentials of the convention, the original credentials.

The CHAIRMAN. Let the entire file with respect to the national convention, the questionnaires, and the study made of them, and all supporting documents, with reference to the matter, be made exhibit 181 and an exhibit in bulk.

(Documents referred to were marked "Exhibit No. 181" and may be found in the files of the Select Committee.)

The CHAIRMAN. Are there any questions, Senator Ives?

Senator IVES. Mr. Chairman, I would like to ask one or two questions about this survey that was made.

Judging from reports which were issued about that time, there were certain members of some of these locals that were very much opposed to having this done in this way. There was quite a lot of resentment; is that correct?

Mr. SALINGER. Do you mean of our surveys?

Senator IVES. I am not talking about your survey.

Mr. SALINGER. Of having the election done this way?

Senator IVES. Yes.

Mr. SALINGER. There was; yes, sir.

Senator IVES. In our survey, did you check into that matter to find out how extensive that feeling was among the unions, among these people that were virtually disfranchised in this matter?

Mr. SALINGER. I can say in this regard we did receive a considerable amount of communication from individual union members who were complaining about the way that the delegates from their particular locals had been selected.

Namely, we didn't have the manpower to go out and interview every one of them. We did interview many of these people and found that they felt that in many cases the delegates from their local had either been selected without the approval of the membership, or in such a highhanded manner that they didn't have a chance to have any say in who these delegates were going to be.

Senator IVES. I gathered from the information you provided, even though it is not complete, and you cannot vouch for the accuracy of all of it, that a majority of the members were disfranchised in this election.

Mr. SALINGER. It would appear that way, sir.

Senator IVES. I would think so. I would say that anything of that nature that can happen gives us thought for further legislation. I am very much interested in it.

The CHAIRMAN. We can take the constitution and say, without conceding, but for the purpose of this observation it can be conceded, that the constitution sets up proper democratic processes, where, if followed, the individual member throughout the country, and through his local, would have an opportunity of expression of his will with respect to the delegate to represent his local in a national convention.

That is just assuming that the constitution provides that.

But when you violate the constitution, when you fail to observe it, it amounts to an illegal disfranchisement under the terms of the constitution itself.

Mr. SALINGER. It goes even one step further in this case.

The CHAIRMAN. In other words, if the national officials, who have the highest duty and obligation and responsibility to the local dues-paying members, disregard the constitution or distort or abuse its provisions so as to nullify it, so that it cannot operate against their will, and serve the will of the membership, then it is just a scrap of paper. It means nothing. It is just window dressing.

If powers, those who are in the official positions, whose duty it is to observe and follow the constitution under which the union is supposed to live, act, and operate when they disregard it, then you have simply a travesty, a disfranchisement of the members who pay the dues and support the organization.

Mr. SALINGER. I might say that when Mr. Clift was here and it was pointed out to him that his election on that particular night, the night that he was appearing before the committee, was clearly an illegal election, he said to the committee at that time, "Well, I will leave it to our lawyers. They will take care of it."

When the convention did come up in Miami, President Beck did waive the provisions of the constitution in regard to some of these

requirements for the selection of delegates, thereby rendering the constitution valueless.

Senator CHURCH. Mr. Chairman.

The CHAIRMAN. Senator Church.

Senator CHURCH. Mr. Salinger, would you review for me the total number of locals in the Teamsters Union, please?

Mr. SALINGER. I stated it was over 1,000. I sent for the figure and got the figure of 893.

Senator CHURCH. There are 893 locals, then, in the Teamsters International Union?

Mr. SALINGER. That is correct.

Senator CHURCH. And of this number, you received back information from 437?

Mr. SALINGER. Actual information; yes, sir.

Senator CHURCH. So that your testimony today is based upon the 437 completed questionnaires that were returned to you from these locals?

Mr. SALINGER. That is correct, sir.

Senator CHURCH. When you testify that your examination of these 437 questionnaires positively indicates that only 4.8 percent of the votes cast for Mr. Hoffa in the convention itself was a legal vote, that is not to be construed to mean that he might not have received more legal votes than that, because this is based only upon 437 locals.

Am I correct in that surmise? In other words, that is not meant to be definitive. That is meant merely to mean that based upon the 437 reports, you know positively that only 4.8 percent of the vote was legal, but additional legal votes may have been cast from the locals that have not reported in?

Mr. SALINGER. That is the total ascertainable.

Senator CHURCH. Ascertainable based on 437 locals?

Likewise, when you say with reference to his two opponents at the convention, that one received 19.4 percent and the other received 20.7 percent in legal votes, again that is the total ascertainable legal vote?

Mr. SALINGER. That is correct, sir.

Senator CHURCH. But when we look at it from the opposite side of the coin, and evaluate these 437 returns, in order to determine illegal votes, then this has been a sufficient return from the union nationally to positively ascertain that more than a majority of the votes cast for Mr. Hoffa were not in compliance with the constitution of the International Union, and, therefore, illegal votes?

Mr. SALINGER. And again that is the ascertainable illegal votes.

Senator CHURCH. That is the ascertainable illegal vote, which is, however, a majority of the votes cast for Mr. Hoffa.

Mr. SALINGER. That is correct.

Senator CHURCH. 57.6 percent.

Mr. SALINGER. 56.2 percent.

Senator CHURCH. Excuse me. 56.2 percent.

Mr. SALINGER. The 57.6 percent figure you mentioned, is the total illegal vote at the convention.

Senator CHURCH. Inasmuch as this data has been supplied by the locals themselves, and assuming that you have not misconstrued or misunderstood the data submitted, would not this lead you to the conclusion that this is a self-confession, that the election of Mr. Hoffa

did not comply with the constitution of the international and, therefore, was not legal?

Mr. SALINGER. That is correct.

Senator IVES. To follow that up, Mr. Chairman, I gathered from the figures that have been given, slightly less than 50 percent reported; is that right?

Mr. SALINGER. That is right.

Senator IVES. Or answered the questionnaire?

Mr. SALINGER. That is right.

Senator IVES. In that 50 percent, 4.8 percent cast legal votes for Mr. Hoffa.

Mr. SALINGER. 4.8 percent.

Senator IVES. That is what I thought it was. Now, certainly the conditions in the locals not reporting can be no better and probably they are not as good as in those reporting, so that your 4.8 percent of slightly less than half of the total membership would probably shrink considerably, if you were going to have all of them?

Mr. SALINGER. As I say, this 4.8 percent figure is based on not only the returns that we received from the questionnaire but also the study of the actual credentials issued and the minutes of the credentials committee of the convention?

Senator IVES. Yes. That is the total of them?

Mr. SALINGER. Yes, sir.

Senator IVES. That is based on the total, 4.8 percent?

Mr. SALINGER. That is based on the total we can ascertain to be the legal votes out of all of those examinations.

Senator IVES. I suspect very strongly that the 4.8 percent is a little high, isn't it?

Mr. SALINGER. It is high?

Senator IVES. If you had everything?

Mr. SALINGER. I would have no way of telling that.

The CHAIRMAN. The Chair will make this observation: Since any statement like this might be challenged, I want all of your documents now, and all of your calculations and everything placed in this exhibit so those who may question the accuracy of your statement here, or your summary of it, may have the opportunity if they desire to check the documents. I want these documents made a public record so they can be checked.

Mr. SALINGER. We will place the questionnaires in this exhibit.

The CHAIRMAN. All right.

Mr. KENNEDY. I want to make sure we understand that when you reached these overall figures, it is not based just on the questionnaires, but it is based on the questionnaires plus other documents that we have.

Mr. SALINGER. That is correct.

Mr. KENNEDY. That is all.

The CHAIRMAN. Are there any further questions?

All right, thank you very much.

Will you assemble all of those documents and get them into one package?

Mr. KENNEDY. Mr. Triscaro.

The CHAIRMAN. Mr. Triscaro, will you come around, please, and be sworn. Do you solemnly swear that the evidence you shall give

before this Senate select committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. TRISCARO. I do.

**TESTIMONY OF LOUIS TRISCARDO, ACCOMPANIED BY HIS COUNSEL,
BELFORD LAWSON**

The CHAIRMAN. State your name and your place of residence and your business or occupation.

Mr. TRISCARO. My name is Louis Triscaro, and I live at 2929 Gatesville Boulevard.

The CHAIRMAN. Where?

Mr. TRISCARO. In Cleveland, Ohio.

The CHAIRMAN. What is your business or occupation, please?

Mr. TRISCARO. I respectfully decline to answer the question under my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Mr. Counsel, is this witness an official in any teamster union?

Mr. KENNEDY. He is president of local 436 of the Teamsters Union, Excavation and Race Track Workers.

The CHAIRMAN. Do you have counsel?

Mr. TRISCARO. Yes; I do. I wanted my own personal attorney, the attorney from the State of Ohio, to represent me, since my opinion is that I was not served other than in February, and I was not notified to be here until last night at 11:30 by Mr. Lawson, and so since I have no choice I am using Mr. Lawson.

Just a moment. That is not discredit to Mr. Lawson, and I think he is a very capable attorney, but, personally, I preferred my attorney, which was Mr. Robert Lee from Dayton, Ohio. Since he cannot be here, I have decided to go along with Mr. Lawson.

The CHAIRMAN. All right, Mr. Lawson. Will you identify yourself for the record?

Mr. LAWSON. I am Belford Lawson of Washington, D.C.

The CHAIRMAN. All right, proceed, Mr. Kennedy.

Mr. KENNEDY. Mr. Triscaro, you have been with local 436 since 1940, have you?

Mr. TRISCARO. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Do you intend to take the fifth amendment to all questions?

Mr. TRISCARO. Could I confer with counsel?

The CHAIRMAN. You may ask him what you intend to do.

(The witness conferred with his counsel.)

Mr. TRISCARO. Yes, I do, Senator, on all of them.

The CHAIRMAN. I do not think it makes much difference whether you have your personal attorney or not.

Senator IVES. May I ask a question there? I would like to ask the witness if he would take the fifth amendment if he had his own attorney.

Mr. TRISCARO. Yes, sir; I would.

Senator IVES. Then what difference does it make? Your excuse does not amount to anything.

The CHAIRMAN. Proceed.

Mr. TRISCARO. I didn't say that it would make any difference, Senator.

Senator IVES. He went into this long harangue about having his own attorney, and I thought that might mean something to him.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Mr. Triscaro, according to the information that we have, you were associated with the Mayfield road gang out in Cleveland, Ohio.

Mr. TRISCARO. I didn't hear the question, sir.

Mr. KENNEDY. According to the information that we have, you have been associated with the Mayfield road gang in Cleveland, Ohio.

Mr. TRISCARO. I respectfully decline to answer the question and assert my privileges under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Mr. Counsel, so that the witness may know exactly what you are talking about, and the staff, what is this Mayfield road gang according to our information?

Mr. KENNEDY. According to our information, Mr. Chairman, it is a gang of underworld figures in Ohio who operated very actively and were involved in a large percentage of the crimes that were committed in the Cleveland area. Mr. Triscaro was an important member of this underworld operation. He is alleged to be very close to the top hoodlums in Ohio as well as some of the top gangsters in New York and on the west coast, including Mickey Cohen. Isn't that correct, Mr. Triscaro?

Mr. TRISCARO. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the Constitution of the United States not to be a witness against myself.

Senator IVES. I would like to ask a question there. I would like to ask our counsel a question.

Just how is this witness tied in with Mr. Hoffa?

Mr. KENNEDY. He is an important figure in the Ohio Teamsters, Mr. Chairman, and he has this very prominent underworld connection. He was associated, as I said, during the late 1940's with Mickey Cohen on the west coast, and with Frank Milano, and he was a close associate also with Johnny Dioguardi. Isn't that correct, Mr. Triscaro?

Mr. TRISCARO. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. He has been arrested six or eight times, and he was sentenced and convicted for robbery in 1933, and sentenced to the Ohio State Reformatory. Is that correct?

(The witness conferred with his counsel.)

Mr. TRISCARO. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Were you elected or appointed president of this local 436?

Mr. TRISCARO. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Are you president of that local?

Mr. TRISCARO. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Do you feel any sense of moral obligation at all, or legal obligation to the membership of that local?

Mr. TRISCARO. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Do you regard the members just as mere chattels to be treated any way you want to treat them?

Mr. TRISCARO. I respectfully—no.

The CHAIRMAN. Will you give an accounting to them of your stewardship?

(The witness conferred with his counsel.)

Mr. TRISCARO. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Do you honestly believe that if you gave an accounting of your stewardship to them, under oath, that a truthful answer, and a truthful report of your stewardship might tend to incriminate you?

Mr. TRISCARO. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. With the approval of the committee, the Chair orders and directs you to answer the question: Do you honestly believe that if you gave a truthful answer and made a truthful factual report to the membership of your union, with respect to your stewardship as president thereof, that such truthful report and answers might tend to incriminate you?

Mr. TRISCARO. I honestly believe that if I am forced to answer the question I will be forced to be a witness against myself, and violation of my rights under the fifth amendment of the United States Constitution.

The CHAIRMAN. You would know.

Proceed, Mr. Kennedy.

Mr. KENNEDY. Mr. Chairman, we have information, also, that Mr. Triscaro has been associated with John Scalise who we had before the committee and who also appeared at the Apalachin meeting. He was in business with Mr. Scalise's brother, Mr. Tom Scalise, in a bar and a club in Cleveland, Ohio. Is that correct?

Mr. TRISCARO. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Senator IVES. May I ask a question there. I would like to know if the witness is a member of the Mafia.

Mr. TRISCARO. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Tell us a little something about the Mafia, as you understand it.

Mr. TRISCARO. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Mr. Chairman, we also have him associated with Frank Brosio, and Frank Brancato, who are prominent figures in the underworld in Cleveland, Ohio.

The CHAIRMAN. How many members are there in local 436?

Mr. TRISCARO. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Do you honestly believe that if you gave a truthful answer to how many members there are in local 436 that a truthful answer would tend to incriminate you?

Mr. TRISCARO. I honestly believe that if I am forced to answer the question I would be forced to be a witness against myself in violation of my rights under the fifth amendment of the United States Constitution.

Mr. KENNEDY. You are also vice chairman of the Joint Council 41, are you not?

Mr. TRISCARO. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. And you are also one of the trustees of local 436 health and welfare fund?

Mr. TRISCARO. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. That welfare fund was handled by Louis Saperstein of Newark, N.J., and he received an \$8,000 commission, as a result of the deal whereby he acquired local 436. Can you tell us about that?

Mr. TRISCARO. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. You said where he acquired it. That is where he acquired 436. What is that?

Mr. KENNEDY. Louis Saperstein, Mr. Chairman. The arrangements were made with Louis Saperstein, a notorious broker that operated out of Newark, N.J., and there was finagling that went on in almost all of the accounts he acquired.

The CHAIRMAN. You mean he acquired the welfare and pension fund, the insurance of it?

Mr. KENNEDY. That is correct.

The CHAIRMAN. Not the local itself?

Mr. KENNEDY. No; excuse me. Just going into your background again, in 1951 Mr. Triscaro, you were arrested in connection with the shooting of Jack Halbert, and refused to answer any questions. Is that correct?

Mr. TRISCARO. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Was that in connection with Halbert's willingness to sell you \$3,000 worth of hot whisky?

Mr. TRISCARO. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Is there any difference between hot whisky and cold whisky?

Mr. TRISCARO. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Could you tell us what other sources of income you have now, or have had in 1957, other than your union position?

Mr. TRISCARO. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Isn't it correct that you have received income from several trucking companies in the Ohio area with whom you have had contracts?

Mr. TRISCARO. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Isn't it correct that in 1957 your income tax return shows an income of \$105,488 for 1957?

Mr. TRISCARO. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Are you operating this local out there for your own profit without regard to the welfare of the men that you represent?

(The witness conferred with his counsel.)

Mr. TRISCARO. No; I don't.

The CHAIRMAN. You do not?

Mr. TRISCARO. No.

The CHAIRMAN. Tell us where you got this \$100,000. Did you get it out of this local?

Mr. TRISCARO. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

(Members of the select committee present at this point in the proceedings: Senators McClellan, Ives, and Church.)

The CHAIRMAN. You said you don't operate it against their interests and against their welfare. May I ask you, do you have any conflict of interest? That is, do you—

Mr. TRISCARO. I respectfully—

The CHAIRMAN. Wait a minute. Do you have an interest in any business, corporation, or enterprise that has a contract, a labor contract, with your local?

Mr. TRISCARO. I respectfully decline to answer the question and assert my privileges under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Does any part of your income come to you from any organization, association, business enterprise, or corporation, that has a contract with your local union?

Mr. TRISCARO. I respectfully decline to answer the question and assert my privileges under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. You understand what I mean by contract. A collective bargaining contract. You understand that; do you not?

Mr. TRISCARO. I respectfully decline to answer the question and assert my privileges under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. If you don't want to say whether you understand it or not, I am telling you that is what I am referring to. Now, are your answers the same?

Mr. TRISCARO. I respectfully—yes.

The CHAIRMAN. They are the same?

Mr. TRISCARO. Yes.

The CHAIRMAN. So you refuse to tell whether you have a conflict of interest or whether you are receiving money, not only a salary from your union, whatever they pay you, compensation from your union, but you are refusing to say whether you receive also compensation from those who have a collective-bargaining contract with your union; is that correct?

Mr. TRISCARO. I respectfully decline to answer the question and assert my privileges under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Don't you think your membership out there are entitled to know whether you are doubledealing with them or not?

Mr. TRISCARO. I respectfully decline to answer the question and assert my privileges under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. All right. Proceed.

Mr. KENNEDY. Mr. Chairman, may I call Mr. Mundie, of the committee staff?

The CHAIRMAN. Have you been previously sworn?

Mr. MUNDIE. No.

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. MUNDIE. I do.

TESTIMONY OF JAMES F. MUNDIE

The CHAIRMAN. State your name, your place of residence, and your present occupation or employment.

Mr. MUNDIE. My name is James F. Mundie. I live at 3903 Silver Hill Road, Silver Hill, Md. I am a staff member.

The CHAIRMAN. Of this committee?

Mr. MUNDIE. Yes, sir.

The CHAIRMAN. Proceed, Mr. Kennedy.

Mr. KENNEDY. Mr. Mundie, have you made an examination of certain records in connection with Mr. Triscaro?

Mr. MUNDIE. I have, sir.

Mr. KENNEDY. And Mr. Triscaro had made available his 1957 income tax return?

Mr. MUNDIE. That is correct.

Mr. KENNEDY. We subpoenaed all his books and records, and this is what he stated was the only record he had available; is that right?

Mr. MUNDIE. That is right.

Mr. KENNEDY. One income tax return?

Mr. MUNDIE. One income tax return for the year 1957.

Mr. KENNEDY. That is the only records he turned over?

Mr. MUNDIE. That is correct.

The CHAIRMAN. May I ask you if that is the only records you have?

Mr. TRISCARO. I respectfully decline to answer the question and assert my privileges under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Did you state to the staff of this committee or any member thereof, that this one income tax was the only record you had?

Mr. TRISCARO. I respectfully decline to answer the question and assert my privileges under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. May I ask you if you got the records of the local?

Mr. MUNDIE. I think someone else has them, Senator.

The CHAIRMAN. The committee got them?

Mr. MUNDIE. Yes, sir.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Would you tell us what the records show?

The CHAIRMAN. What records? Do you mean the income tax returns?

Mr. KENNEDY. Income tax returns.

Mr. MUNDIE. According to the copy furnished this committee of the 1957 income tax returns of—

The CHAIRMAN. Would you repeat that, please?

Mr. MUNDIE. According to a copy of the 1957 income tax return furnished by Mr. Triscaro, it shows that he and his wife, Sarah, had income in the amount of \$132,238.30, of which he received income from the Shaker Sand & Gravel Co. in the amount of \$10,575.

Mr. KENNEDY. How do you spell that?

Mr. MUNDIE. S-h-a-k-e-r.

Mr. KENNEDY. How much money?

Mr. MUNDIE. \$10,575.

Mr. KENNEDY. Was that in salary?

Mr. MUNDIE. That is correct.

The CHAIRMAN. Salary?

Mr. MUNDIE. Yes, sir.

Mr. KENNEDY. Who owns that company?

Mr. MUNDIE. According to the records of the Shaker, his brother, Joseph.

Mr. KENNEDY. We will have some other testimony on that.

Mr. MUNDIE. Yes.

The CHAIRMAN. Do you know whether this local has a contract with that company?

Mr. MUNDIE. A card index maintained at the local has a card there, but on it it didn't say whether it had a contract or not. But evidently they had an oral agreement, according to one of the business agents.

Mr. KENNEDY. Mr. Chairman, it might be well if Mr. Sheridan explains about this. We are going to deal with a number of companies. It might be well if he is sworn also and testifies about these companies.

He has been sworn.

The CHAIRMAN. You have been previously sworn?

Mr. SHERIDAN. Yes.

TESTIMONY OF WALTER J. SHERIDAN

Mr. KENNEDY. Could you tell us about the Shaker Co.?

Mr. SHERIDAN. The Shaker Co., as well as the other companies that Mr. Mundie is going to mention, are all owned by Mr. Triscaro's brother, Joseph Triscaro, and his wife, Sarah Triscaro.

Mr. KENNEDY. Whose wife?

Mr. SHERIDAN. Louis Triscaro's wife, Sarah Triscaro, and his brother, Joseph Triscaro.

Mr. KENNEDY. Does this Shaker Co. have a contract with the Teamsters Union? Do you know that?

Mr. SHERIDAN. The Shaker Co. does not have a contract. They had a contract in 1951, and there was a supplementary contract in 1952. Since that day there has been no contract.

The CHAIRMAN. Previously there has been a collective bargaining contract between this local 436 and the Shaker Sand Co.?

Mr. SHERIDAN. Yes, there has been. This would be between Louis Triscaro, representing local 436, and his brother, representing the Shaker Co.

The CHAIRMAN. When was the extension of that contract? When did it expire?

Mr. SHERIDAN. May 1952.

The CHAIRMAN. There has been no contract since, so far as your records disclose?

Mr. SHERIDAN. That is right.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Could I ask you, Mr. Triscaro, are those facts correct?

Mr. TRISCARO. I respectfully decline to answer the question and assert my privileges under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. In answer to the chairman, you said you were interested in the union members, or the employees. If that is correct, why hasn't this company that belongs to your brother—why do they not have a union contract, Mr. Triscaro?

Mr. TRISCARO. I respectfully decline to answer the question and assert my privileges under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. How many employees does this Shaker Co. have? (The witness conferred with his counsel.)

Mr. KENNEDY. We haven't that information.

Mr. TRISCARO. I respectfully decline to answer the question and assert my privileges under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Are you taking this \$10,000 a year from that company to protect it from being organized?

Mr. TRISCARO. I respectfully decline to answer the question and assert my privileges under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. If you are doing that, wouldn't you regard it as doubledealing with your members?

Mr. TRISCARO. I respectfully decline to answer the question and assert my privileges under the fifth amendment of the United States Constitution not to be a witness against myself.

Senator IVES. Mr. Chairman.

The CHAIRMAN. Senator Ives.

Senator IVES. I would like to ask if the company is organized. That has not been established yet.

Mr. TRISCARO. I respectfully decline to answer the question and assert my privileges under the fifth amendment of the United States Constitution not to be a witness against myself.

Senator IVES. Where in blazes name is that going to hurt you, to answer that question?

Mr. TRISCARO. I respectfully decline to answer the question and assert—I honestly believe that if I am forced to answer the question I will be forced to be a witness against myself in violation of my rights under the fifth amendment of the United States Constitution.

The CHAIRMAN. All right.

Let us go to another company.

Mr. KENNEDY. Did he receive any other income from that company?

Mr. MUNDIE. No. In the year 1957, for the Pettibone Sand & Gravel Co. at Cleveland, Ohio, \$4,675.

The CHAIRMAN. How much?

Mr. MUNDIE. \$4,675.

The CHAIRMAN. What is that listed as?

Mr. MUNDIE. Sand and gravel company, salary.

The CHAIRMAN. Salary?

Mr. MUNDIE. Wages.

The CHAIRMAN. Salary or wages?

Mr. MUNDIE. Wages.

The CHAIRMAN. The other was salary and this is wages?

Mr. MUNDIE. The other was wages, too.

Mr. SHERIDAN. This company is also owned by his brother.

Mr. KENNEDY. Does it have a contract?

Mr. MUNDIE. They had a card index of it. On it there was no mention of a contract. But the business agent said there must have been an oral contract.

The CHAIRMAN. What do you mean a card index? What do you find that to be?

Mr. MUNDIE. Well, of the contracts they had, they must have had five or six hundred that were brought out, and we looked through all of them for these particular contracts, and then we got an alphabetical list, and this company was listed in the card file.

The CHAIRMAN. As one they had a contract with?

Mr. MUNDIE. Well, as one that the contract was mailed to, but they had no notation that it was sent back to them.

The CHAIRMAN. A contract had been mailed to them?

Mr. MUNDIE. That is correct.

The CHAIRMAN. But there was no indication in their records, the records of the local, that the contract was ever executed and returned?

Mr. MUNDIE. That is correct.

The CHAIRMAN. Proceed.

Mr. MUNDIE. From the Valley Slag Co., wages, \$6,625. In addition, he received a \$10,000 dividend.

Mr. KENNEDY. He received wages and a dividend from that company?

Mr. MUNDIE. That is correct.

Mr. KENNEDY. Have you a financial interest in that company?

Mr. TRISCARO. I respectfully decline to answer the question and assert my privileges under the fifth amendment of the United States Constitution not to be a witness against myself.

Senator IVES. Is that company organized?

Mr. TRISCARO. I respectfully decline to answer the question and assert my privileges under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. What do you find from the local's records with respect to that company as to whether it is organized or not?

Mr. MUNDIE. We didn't find anything in regard to that. Only that the ownership was there.

The CHAIRMAN. Speak a little louder.

Mr. MUNDIE. We didn't find anything in regard to that. There was no contract for Valley.

The CHAIRMAN. What I am trying to understand, and we have had this before, is if unionism is such a grand thing for the working people, and the leaders and officers of the union are dedicated to the welfare of working people, why should they have a company that is unwilling or fails to do some collective bargaining? They go out and picket other people to make them join, and yet they have their companies, drawing big money from them and protect themselves from the benefits and welfare of unionism to the men. In other words, this is just an exploitation.

Senator IVES. Mr. Chairman, in that connection, I think you might have a conflict of interest there, if they organize their companies with their own unions. In my judgment, and I am not a lawyer, you know, it seems to me that they ought to get out of the union leadership and run their companies, if that is what they are going to do. They haven't any business doing both.

The CHAIRMAN. Let us proceed.

Senator CHURCH. Mr. Chairman?

The CHAIRMAN. Senator Church.

Senator CHURCH. Before we proceed further, what is the ownership of the Valley Slag Co.?

Mr. SHERIDAN. The Valley Slag Co. was also owned by Mr. Triscaro's brother Joseph and his wife Sarah.

Senator CHURCH. When you say his wife, are you talking about the wife of this witness?

Mr. SHERIDAN. The wife of the witness; yes.

Senator CHURCH. That has been true in the case of each of the other companies you mentioned?

Mr. SHERIDAN. That is right, sir.

Senator CHURCH. Was this a joint income-tax return that you are referring to, and from which you are testifying?

Mr. MUNDIE. That is correct.

Senator CHURCH. It is possible that the dividend of \$10,000 in this case might refer to the wife's interest in the company?

Mr. MUNDIE. That is correct.

The CHAIRMAN. Go to the next company.

Mr. MUNDIE. For part of the year, from the Eagle Trucking Co., he received wages in the amount of \$1,860. This company was sold in the year 1957—

Mr. KENNEDY. Who is that company supposedly owned by?

Mr. MUNDIE. It belonged to Mr. Joseph Triscaro, and Louis' wife Sarah. It was sold in the year 1957 for \$54,000. According to this copy of the tax return, his cost in the year 1953 was \$500.

The CHAIRMAN. His what?

Mr. MUNDIE. It was \$500. He shows a capital gain in the amount of \$53,500.

Mr. KENNEDY. This was all declared by Mr. Triscaro?

Mr. MUNDIE. That is correct.

Mr. KENNEDY. The sale of this trucking company was declared on Mr. Triscaro's and his wife's income tax?

Mr. MUNDIE. That is correct.

Mr. KENNEDY. It was purchased for \$500 and sold for how much?

Mr. MUNDIE. In the year 1953 and sold for \$54,000 in the year 1957.

Mr. KENNEDY. So from the income tax records alone it would indicate that Mr. Louis Triscaro and his wife owned the trucking company?

Mr. MUNDIE. That is correct. They also have a contract for the Eagle Trucking Co. which runs for 3 years. It was dated July 15, 1956, and it is an agreement from May 1, 1956, to May 1, 1959.

Mr. KENNEDY. Who is that contract signed by?

Mr. MUNDIE. This contract was signed by Mr. N. Louis Triscaro, as president of local 436, and the Eagle Trucking Co. by Bill Triscaro.

Mr. KENNEDY. His brother?

Mr. MUNDIE. His brother.

Mr. KENNEDY. Mr. Louis Triscaro, according to his own income tax returns, as a representative of the union, was signing a contract with the company that he owned?

Mr. MUNDIE. That is correct.

The CHAIRMAN. Are there any other companies?

Mr. MUNDIE. That is all.

The CHAIRMAN. Are there any questions?

Mr. KENNEDY. Is that the total of the income?

Mr. MUNDIE. Yes, that is the total.

The CHAIRMAN. You have \$132,000 income there. This only adds up to about thirty-some-odd thousand.

Mr. MUNDIE. He received \$30,850 from local 436.

The CHAIRMAN. Thirty thousand what?

Mr. MUNDIE. \$850.

The CHAIRMAN. Is that salary?

Mr. MUNDIE. That is wages.

The CHAIRMAN. All wages?

Mr. MUNDIE. Yes, sir.

Senator CHURCH. This witness received that much in 1957 from a local?

Mr. MUNDIE. That is correct. Of course, he has convention allowance of \$1,812.82; expense allowance of \$4,350; Ohio Conference of Teamsters, \$560.

Senator CHURCH. So this represents salary and allowances for the year?

Mr. MUNDIE. No, the allowances, the convention allowance, expense allowance, and the Ohio Conference of Teamsters allowance, was taken off at the bottom.

Senator CHURCH. How much was the salary alone?

Mr. MUNDIE. The salary is \$30,850.

The CHAIRMAN. He got all of this other in addition to the salary?

Mr. MUNDIE. That is correct.

Mr. KENNEDY. Plus his regular expenses?

Mr. MUNDIE. That is correct.

Mr. KENNEDY. How could you get all of that money running the union and get the rest of the money running your trucking company, Mr. Triscaro?

Mr. TRISCARO. I respectfully decline to answer the question and assert my privileges under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Do you see anything improper or wrong in this operation, Mr. Triscaro?

Mr. TRISCARO. I respectfully decline to answer the question and assert my privileges under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. We have one other very serious matter, Mr. Chairman, that I would like to go into with Mr. Triscaro.

The CHAIRMAN. I hand you a photostatic copy of a check dated August 22, 1958, in the amount of \$1,500, issued by the Ohio Conference of Teamsters to Romade of Cleveland. I ask you to examine this check and state if you identify it, please, sir.

(Document was handed to the witness.)

(The witness conferred with his counsel.)

Mr. TRISCARO. I respectfully decline to answer the question and assert my privileges under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Who obtained this check from the file?

Mr. Sheridan, did you obtain this check that I have just presented to the witness, from the records of the union?

Mr. SHERIDAN. Yes. I obtained the check from the records of the Ohio Conference of Teamsters.

The CHAIRMAN. That check may be made exhibit No. 182.

(The check referred to was marked "Exhibit No. 182" for reference and will be found in the appendix on p. 15348.)

Mr. KENNEDY. Mr. Chairman, I would like to call Mr. Sheridan to trace this check and what happened to it.

Mr. Triscaro, this \$1,500 check was used for you, was it not?

Mr. TRISCARO. I respectfully decline to answer the question and assert my privileges under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. You made a personal purchase with it, did you not, \$1,500 of union funds?

Mr. TRISCARO. I respectfully decline to answer the question and assert my privileges under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. SHERIDAN. This check, which was signed by Mr. Presser, as president of the Ohio Conference of Teamsters, and Mr. Pfeiffer, the secretary-treasurer, is made out to Romade of Cleveland. Romade of Cleveland is an awning and storm window corporation in Cleveland. This check was given by Mr. Triscaro to the Romade of Cleveland Co., in partial payment for awnings for his new house which he has just finished building.

Mr. KENNEDY. What is the cost of that new house, Mr. Triscaro?

Mr. TRISCARO. I respectfully decline to answer the question and assert my privileges under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Do we have the cost of the house, approximately?

Mr. SHERIDAN. The cost of the house has been reported to be \$60,000.

The CHAIRMAN. How much?

Mr. SHERIDAN. \$60,000.

The CHAIRMAN. Why do you think these union boys who work and pay their dues ought to buy you awnings?

Mr. TRISCARO. I respectfully decline to answer the question and assert my privileges under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Don't you think taking their money for that purpose, if you take it without their knowledge and approval is, in effect, stealing it?

Mr. TRISCARO. I respectfully decline to answer the question and assert my privileges under the fifth amendment of the United States Constitution not to be a witness against myself.

Senator CHURCH. Mr. Triscaro, has the membership of your local ever voted you or otherwise authorized the payment to you of \$30,000 a year in salary?

Mr. TRISCARO. I respectfully decline to answer the question and assert my privileges under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Could you trace that check through and tell us what the stub says?

Mr. SHERIDAN. On the check stub it says "Gift" and then the initials "L.T." and "per Presser."

The CHAIRMAN. For who?

Mr. SHERIDAN. Presser. That would refer to William Presser, the president of the Ohio Conference of Teamsters.

The CHAIRMAN. It is marked "gift"?

Mr. SHERIDAN. It is marked "Gift. L.T., per Presser."

The CHAIRMAN. "Gift, L.T., per Presser"?

Mr. SHERIDAN. "Per Presser." The union books charged this amount off to donations and gifts. The check—

The CHAIRMAN. They did actually charge it correctly.

Mr. SHERIDAN. Yes.

The CHAIRMAN. Well, I wanted to give them credit for it.

Mr. SHERIDAN. The check was dated August 22, and used, as I say, in partial payment of the awnings on August 25. The check was taken to Romade of Cleveland Co., by Mr. Triscaro.

Mr. KENNEDY. Do you have an affidavit here from Romade?

Mr. SHERIDAN. We don't have an affidavit. We have a signed statement from one of the partners of Romade of Cleveland, saying that Mr. Triscaro stopped into there August 25, 1958, and gave them a check in the amount of \$1,500, in partial payment of the awnings.

Mr. KENNEDY. Was there any authorization in the minutes for Mr. Presser to give away \$1,500 of union funds to another union official?

Mr. SHERIDAN. I saw no such authorization.

Mr. KENNEDY. This was just one union official giving \$1,500 of union funds to another union official?

Mr. SHERIDAN. Yes, sir.

The CHAIRMAN. Did you search the minutes?

Mr. SHERIDAN. Yes, I did, Senator.

Mr. KENNEDY. Can you explain that to us, Mr. Triscaro?

Mr. TRISCARO. I respectfully decline to answer the question and assert my privileges under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Do you make a practice of giving gifts to one another of Teamster Union funds, you and Mr. Presser?

Mr. TRISCARO. I respectfully decline to answer the question and assert my privileges under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Mr. Triscaro, you had a testimonial dinner on June 9, 1956, did you not?

Mr. TRISCARO. I respectfully decline to answer the question and assert my privileges under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. And that testimonial dinner on your behalf—at that, the principal speaker was Mr. James R. Hoffa, was he not?

Mr. TRISCARO. I respectfully decline to answer the question and assert my privileges under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. You are a close associate of Mr. Hoffa and have been for a number of years, Mr. Triscaro?

Mr. TRISCARO. I respectfully decline to answer the question and assert my privileges under the fifth amendment of the United States Constitution not to be a witness against myself.

(At this point Senator Church withdrew from the hearing room.)

The CHAIRMAN. Are there any further questions?

If not, stand aside for the present. You will remain here. You may be recalled.

Call the next witness.

Mr. KENNEDY. Mr. Presser.

The CHAIRMAN. Come forward, Mr. Presser.

Will you be sworn.

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth so help you God?

Mr. PRESSER. I do.

TESTIMONY OF WILLIAM PRESSER, ACCOMPANIED BY COUNSEL, BELFORD LAWSON

The CHAIRMAN. State your name—are you now ready to proceed?

Mr. PRESSER. Yes, sir.

The CHAIRMAN. State your name, your place of residence, and your business or occupation, please.

Mr. PRESSER. My name is William Presser. I live at 2525 Clover Road, University Heights, Ohio.

The CHAIRMAN. And you work for wages, do you?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. What is your business or occupation?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Will you answer any questions that may be asked you?

(The witness conferred with his counsel.)

Mr. PRESSER. I will have to know what the question is first, sir.

The CHAIRMAN. Do you have a lawyer?

Mr. PRESSER. Yes; I do.

The CHAIRMAN. Let the record show the same counsel appears for this witness as appeared for the previous witness.

Proceed.

Mr. PRESSER. Mr. Chairman, I had no notice of being present here this morning. My counsel would have been Mr. Robert Nee. However, I feel that Mr. Lawson is fully as competent. Therefore, Mr. Lawson is my counsel.

The CHAIRMAN. If your other attorney was here, would you take the fifth amendment? If not, if you will agree to testify, I will postpone hearing you until you could get him here.

Mr. PRESSER. I would have to know the questions, sir.

The CHAIRMAN. The questions will pertain to your stewardship of the labor organization of which you are an official.

Mr. PRESSER. I would have to know the specific questions, sir.

The CHAIRMAN. All right, I will ask you one.

Are you willing to give an accounting to the membership of your union for the handling of its affairs, financial and otherwise?

(The witness conferred with his counsel.)

The CHAIRMAN. That is a question.

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Would you tell them what you have done with their money?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Would you answer those questions if your other counsel was present?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the Constitution of the United States not to be a witness against myself.

The CHAIRMAN. Well, I do not think it makes any difference whether the other counsel is present, or not.

Proceed, Mr. Kennedy.

Mr. KENNEDY. Mr. Presser, you were born in Cleveland, Ohio, in 1907; is that correct?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. The fact that you were born, somewhere, sometime, would not tend to incriminate you; would it?

Mr. PRESSER. I honestly believe that if I am forced to answer the question, I would be forced to be a witness against myself in violation of my rights under the fifth amendment of the United States Constitution.

The CHAIRMAN. Let the record show that except for his testimony here, there is no other evidence to the effect that he was ever born.

Senator IVES. I think on this last question he told an actual and absolute truth. I do not think there is any question about it.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Mr. Presser, you have been active in union affairs since the 1940's; have you?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the Constitution of the United States not to be a witness against myself.

Mr. KENNEDY. You were an official of the IBW as well as the Teamsters; were you not?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. During the same time that you have been an official of the union, you have also been associated with various businesses; is that correct?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Your primary interest has been in the coin operating machine business?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. You have been involved, during the 1940's, with Jimmy James, setting up jukebox companies in the Midwest, at the same time you were operating a union; is that correct?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Mr. Counsel, this witness says he cannot tell you whether he is a member of a union or has anything to do with a union without incriminating himself.

Would you tell us what information we have as to his union connections?

Mr. KENNEDY. Well, Mr. Chairman, Mr. Presser was indicted with John Nardi—

The CHAIRMAN. First, give me the other information.

Mr. KENNEDY. Back in 1951. At that time, or about that time, he received a Teamster charter. He was organizing jukebox employers.

In 1933, there was a testimonial dinner in Presser's name attended by Mr. Beck and Mr. Hoffa, and at that time—

Senator IVES. May I ask, on that indictment was he convicted?

Mr. KENNEDY. Yes, Senator. He pleaded nolo contendere and received a fine.

Senator Ives. Thank you.

Mr. KENNEDY. So he was made president of joint council 41, a position he holds at the present time in Ohio.

So he is the top union official in the Teamsters in Ohio.

He is also president of the Ohio conference. He is president of local 555, of the Teamsters.

He is president of the national over-the-road conference of Teamsters.

He is president of the Teamsters yearbook. He is trustee of several Teamster welfare funds. He is the administrator of Baker Drivers Local 114, Cincinnati.

He is vice president of the Cleveland Federation of Labor.

Those are the positions that we understand he holds.

The CHAIRMAN. Is there any error in that summary of the positions you hold?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. We would not want to make any statement that might tend to incriminate you, any erroneous statement.

I thought you might clarify that for us.

(The witness conferred with his counsel.)

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Shall I repeat them again?

President of joint council 41—

Mr. PRESSER. Mr. Chairman, I heard them the first time.

Mr. KENNEDY. I want to make sure I have them.

The CHAIRMAN. The committee is not doing this for your benefit.

Mr. KENNEDY. President of joint council 41, national over-the-road conference—

I am not sure exactly what that is—the Ohio Conference of Teamsters; the Teamsters Yearbook, Local 555 of the Taxicab Drivers, trustee of the several Teamsters welfare funds, and administrator of Baker Drivers Local 114.

He still holds, as we understand, the position of vice president of the Cleveland Federation of Labor.

The CHAIRMAN. What is this administrator of local 114? What position is that? Is that what you said, administrator of local 114?

Mr. KENNEDY. That is a trusteeship.

The CHAIRMAN. He is trustee of it?

Mr. KENNEDY. That is correct.

We understand, Mr. Presser, that you have an association with a number of the important criminal elements in Ohio. Is that correct?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. And that would include Mr. John Scalish, would it not, who attended the meeting in the Appalachians?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. You have given jobs, have you not, as union officials to three of your brothers-in-law, all of whom have criminal records, is that right?

(The witness conferred with his counsel.)

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. That would include Mr. Harry Friedman, Mr. Joseph Friedman, and Mr. Allen Friedman, is that right, who have held union positions under you at various times?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Is your son, Jack, also a Teamster official now? He was an official of another union. Is he now with the Teamsters' Union?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Could you tell us how much dues are paid for the various members of the jukebox local, Mr. Presser?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Could I, Mr. Chairman, just call a witness in connection with this matter? I have a few questions I want to ask.

The CHAIRMAN. Have you been sworn?

Mr. KAPLAN. Not in this hearing.

The CHAIRMAN. You do solemnly swear the evidence you shall give before this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. KAPLAN. I do, sir.

TESTIMONY OF ARTHUR G. KAPLAN

The CHAIRMAN. State your name, your residence, and your present business or occupation.

Mr. KAPLAN. My name is Arthur Kaplan. I am a staff member of the committee. I reside in Portland, Oreg.

The CHAIRMAN. Proceed.

Mr. KENNEDY. You made a study of the juke box situation throughout the United States, did you not, Mr. Kaplan?

Mr. KAPLAN. Yes, sir.

Mr. KENNEDY. On behalf of this committee?

Mr. KAPLAN. Yes, sir.

Mr. KENNEDY. Could you tell the committee what the arrangements are as far as the payments to the union in the area that Mr. Presser controls?

Mr. KAPLAN. Yes, sir. The basic dues structure is a \$5 per month dues per union member, and then in addition a dollar per month per machine each union member services during that month. This assessment, this additional amount, is termed an assessment.

Mr. KENNEDY. So how much do they receive on the average?

Mr. KAPLAN. This approximates dues of \$50 per month per man.

The CHAIRMAN. \$50 per month per man?

Mr. KAPLAN. Yes, sir.

The CHAIRMAN. They pay \$5 dues?

Mr. KAPLAN. Yes.

The CHAIRMAN. Then whenever a man goes around to the machine, that extra dollar is added?

Mr. KAPLAN. Well, yes, sir. A man is supposed to service a certain number of machines.

The CHAIRMAN. In other words, they have one man, he is a union member, and he services these slot machines?

Mr. KAPLAN. Music machines or vending machines, sir.

The CHAIRMAN. Well, whatever they are, vending machines.

Mr. KAPLAN. Yes, sir.

The CHAIRMAN. He is supposed to service them. That is, keep them in working order?

Mr. KAPLAN. Yes, sir.

The CHAIRMAN. He may service 25, 30, or 40—one man?

Mr. KAPLAN. Well, usually they will service about 45 to 50.

The CHAIRMAN. Well, whatever the number is.

Mr. KAPLAN. Yes, sir.

The CHAIRMAN. Who pays that \$1 for each machine? the man who actually services the machine or does the owner have to pay it?

Mr. KAPLAN. The dues are paid by a checkoff system, but it is alleged to be a payment by the man. It is an assessment on the union member.

The CHAIRMAN. But who pays it, the owner of the machine or—

Mr. KAPLAN. Well, in effect, the owner of the machine pays it, because every time there is an increase in dues or any change in the wage structure, the total wage is so computed so that it takes care of the difference. In other words, it actually does come out of the employer.

The CHAIRMAN. It finally comes out of the employer?

Mr. KAPLAN. Yes, sir.

The CHAIRMAN. And the whole amount, the \$5 dues that the member himself pays, the working man, plus a dollar for each machine, plus a dollar a month for each machine he services, all of that money goes into the treasury or goes into this local union?

Mr. KAPLAN. Yes, sir.

The CHAIRMAN. Is that correct?

Mr. KAPLAN. Yes, sir.

The CHAIRMAN. So it averages about \$50 per month per man that services the machine?

Mr. KAPLAN. Yes, sir.

The CHAIRMAN. That would include people in the union that were doing some other kind of work?

Mr. KAPLAN. Well, in the particular union to which Mr. Kennedy has referred, all of those people do only that kind of work, sir, almost exclusively. There are some few that do not. Some few are called inside mechanics, but the great majority of the members do that kind of work, sir.

The CHAIRMAN. Well, that is a pretty lucrative enterprise for the local.

Mr. KAPLAN. In Cleveland and in most other places.

Mr. KENNEDY. Is there any benefit as far as the wages are concerned for the employees?

Mr. KAPLAN. None that have been ascertained yet.

Mr. KENNEDY. You mean they ordinarily would receive higher wages?

Mr. KAPLAN. Well, in actual effect they do receive higher wages. The contract scale has always been discovered to be below what these men are actually making. That is, they are assured of making less by the union than they actually do make for other reasons, which are primarily that the employer himself is concerned with having honest servicemen, that the labor cost is a relatively small part of his business, so it pays to pay them a little bit more than comparable work in other industries, and so forth.

Mr. KENNEDY. Isn't it a fact that many of these locals, and particularly this local we are talking about, sets up and operates as an arm of the employers?

Mr. KAPLAN. Well, this local, as well as most others, in fact, appear to have been set up by the concurrence of the employer, and the amount of money that actually funnels off from the employer is a payment for the privilege of forcing a trade monopoly in the city of Cleveland.

The CHAIRMAN. How was that?

Mr. KAPLAN. Well, I say it is a payment for receiving the means or the enforcement machinery to enforce a trade monopoly on behalf of the employer.

The CHAIRMAN. In other words, these owners that are in this arrangement here get protection from the union against anyone else going into the business: is that it?

Mr. KAPLAN. Precisely.

The CHAIRMAN. In other words, this is a part of the payment that the local gets for enforcing unionism and controlling the number of machines?

Mr. KAPLAN. As a matter of fact, they have done it so effectively, both this Teamster local and its predecessor, local 442 of the BEW, which Mr. Presser also formed, that they have been the mecca for all of the employer associations through the country who, over the past almost 20 years, have wanted to set up a similar type of arrangement. They have all come up to Cleveland to find out how to do it.

On one occasion Mr. Presser went down to Detroit to show them how to do it. That is when Jimmy James went into the jukebox business.

Mr. KENNEDY. Did he get paid for it?

Mr. KAPLAN. Did Mr. Presser get paid for it? Yes, sir.

Senator IVES. Is there any collective-bargaining agreement in connection with this activity?

Mr. KAPLAN. Well, the collective-bargaining agreement or a so-called labor contract is entered into——

Senator IVES. It is the same principle?

Mr. KAPLAN. Yes, sir—entered into very regularly. I think in this particular case it is a 3-year contract or it is a 2-year contract that renews itself automatically.

The CHAIRMAN. What happens when someone undertakes to go into the business that does not join?

Mr. KAPLAN. Well, usually he does not stay in the business very long because most of these machines are placed in taverns and restaurants and places that today are very dependent upon Teamster delivery.

Today it is not even necessary to put out a picket. All they have to do is put out the word to the beer driver, the milk driver, or the bread driver, to not deliver. Since the operator is dependent upon the storekeeper or so-called location owner, he has no recourse to the storekeeper, because to the storekeeper, who is being boycotted, the machine is relatively of small significance in his total business.

The CHAIRMAN. To have the machine, he has to join?

Mr. KAPLAN. That is right.

The CHAIRMAN. And they control whether he joins or not?

Mr. KAPLAN. That is right.

Mr. KENNEDY. And Mr. Presser, through the years, has been one of the foremost organizers in this regard?

Mr. KAPLAN. Well, he shows great organizing genius.

Mr. KENNEDY. In connection with what you described?

Mr. KAPLAN. That is right.

Mr. KENNEDY. These are top-down contracts, are they not? The employees are not consulted?

Mr. KAPLAN. Yes, sir.

Mr. KENNEDY. From an examination of Mr. Presser's contracts, do we find that the employees are not consulted, that these are contracts with the employers that actually bring the employees into the union?

Mr. KAPLAN. Yes, sir. What actually happens is that the employers form an association and then sign a master contract with the union, and thereby unionize their employees. We have never found a single instance—there may be some, but we have not ever seen one—where it is operated in any other way, or where the unionization has taken place as a result of employee pressure to unionize.

Mr. KENNEDY. Could you tell us about that, Mr. Presser, if that is how you operated?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the U.S. Constitution not to be a witness against myself.

Mr. KENNEDY. You are not interested in the employees, Mr. Presser, you are just interested in getting the money in; isn't that correct?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the U.S. Constitution not to be a witness against myself.

Mr. KENNEDY. Do you have something else?

Mr. KAPLAN. I might mention that in Cleveland itself, Mr. Presser has also worked directly for this very association at one period of time. He was actually on their payroll.

The CHAIRMAN. During the time he headed the union?

Mr. KAPLAN. No, sir. Purportedly he was not in the union at the time, although we have never been able to ascertain whether or not he actually had resigned from the union during this period.

Mr. KENNEDY. Mr. Chairman, at a later time we will be going into Mr. Presser's activities in far more detail. But we had wanted to get the books and records of Mr. Presser. We served a subpoena on him

for his own personal books and records and also for the records of the unions under his control. That is a matter we are going to go into right now. I would like to ask him some questions about whether any of the records have been destroyed.

The CHAIRMAN. All right.

Mr. Presser, you were served with a subpoena on the 23d day of March 1958, to produce your personal financial records for the period of January 1, 1949, to date, including canceled checks, check stubs, deposit slips, bank statements, records of loans, securities, insurance policies, and income tax returns, together with records of all business or enterprises in which you have had an interest.

Have you complied with that subpoena?

(The witness conferred with his counsel.)

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Who can testify from the staff on whether this subpoena has been complied with?

Mr. Sheridan, did you serve this subpoena?

Mr. SHERIDAN. Yes, I did, Senator.

The CHAIRMAN. Has the witness complied with it?

First, are you now ready to comply with the subpoena?

Mr. PRESSER. Pardon me, sir.

(The witness conferred with his counsel.)

Mr. PRESSER. I have complied to the best of my ability.

The CHAIRMAN. What have you done in compliance with it?

(The witness conferred with his counsel.)

Mr. PRESSER. May I have the question again, sir?

The CHAIRMAN. What have you done? You said you have complied to the best of your ability. What have you done in compliance?

Mr. PRESSER. I have made available all records I could get together.

The CHAIRMAN. What is the status of it, Mr. Sheridan, with respect to his compliance? What records has he delivered?

Mr. SHERIDAN. Mr. Presser has delivered a bankbook covering a checking account at the Cleveland Trust Co. from October 12, 1951, to March 1, 1958. This is a bankbook and not canceled checks, or check stubs. He has furnished 10 life insurance policies.

The CHAIRMAN. Furnished what?

Mr. SHERIDAN. Ten life insurance policies, and his income tax returns for the years 1943, 1955, and 1956. He has furnished no canceled checks, no check stubs, no bank statements, and no other financial records.

The CHAIRMAN. You said you had complied to the best of your ability. Have you delivered to the committee all of the records called for here that were in your possession or under your control and available to you at the time the subpoena was served?

Mr. PRESSER. I have delivered to the committee everything I had available and could lay my hands on.

The CHAIRMAN. At the time the subpoena was served?

Mr. PRESSER. Yes, sir.

The CHAIRMAN. You have destroyed no records since then?

(The witness conferred with his counsel.)

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Now, then, you said you had complied to the best of your ability. The best of your ability would be to deliver records, produce them as ordered by the subpoena, such records as you had, and not destroy them.

I ask you the question again: Have you destroyed any of the records called for by this subpoena?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. You are ordered, with the permission of the committee the Chair orders and directs you to answer that question.

Mr. PRESSER. I honestly believe that if I am forced to answer the question I will be forced to be a witness against myself in violation of my rights under the fifth amendment of the United States Constitution.

The CHAIRMAN. You have already testified that you have complied with the subpoena to the best of your ability. This tests the truthfulness of that statement. For that reason and the committee desires to ascertain whether you have complied according to the best of your ability, or whether you have made that statement falsely and, instead, destroyed records that the subpoena called upon you to produce.

(The witness conferred with his counsel.)

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. You are ordered and directed to answer the question, with the approval of the committee.

Mr. PRESSER. I honestly believe that if I am forced to answer the question I will be forced to be a witness against myself in violation of my rights under the fifth amendment of the United States Constitution.

The CHAIRMAN. That is a continuing order. You will return at 2 o'clock this afternoon and will be further interrogated about it.

The committee will stand in recess until 2 o'clock.

(Thereupon, at 12:30 p.m. the committee was recessed, to reconvene at 2 p.m. the same day.)

AFTERNOON SESSION

The committee reconvened at 2 p.m., upon the expiration of the recess.

The CHAIRMAN. The committee will be in order.

(Committee members present in the hearing room: Senators McClellan, Church, and Ives.)

The CHAIRMAN. Will you return, Mr. Presser?

TESTIMONY OF WILLIAM PRESSER, ACCOMPANIED BY COUNSEL, BELFORD LAWSON—Resumed

The CHAIRMAN. When we recessed, Mr. Presser, at noon, the Chair was interrogating you about compliance with the subpoena.

I hand you here a copy of the subpoena and ask you to examine it and identify it, please.

(A document was handed to the witness.)

The CHAIRMAN. Is that the subpoena you received from the committee, a copy of it?

Mr. PRESSER. I believe it is; it looks like it.

The CHAIRMAN. That subpoena may be printed in the record at this point together with the return thereon of the serving officer.

(The subpoena referred to follows:)

UNITED STATES OF AMERICA

CONGRESS OF THE UNITED STATES

To WILLIAM PRESSER, *Cleveland, Ohio, Greeting:*

Pursuant to lawful authority, you are hereby commanded to appear before the Senate Select Committee on Improper Activities in the Labor or Management Field of the Senate of the United States, on Forthwith, 195__, at ____ o'clock ____m., at their committee room, Room 101, Senate Office Building, Washington, D.C., then and there to testify what you may know relative to the subject matters under consideration by said committee, and produce your personal financial records for the period January 1, 1949, to date including cancelled checks, check stubs, deposit slips, bank statements, records of loans, securities, insurance policies and income tax returns, together with records of all businesses or enterprises in which you have or have had an interest.

Hereof fail not, as you will answer your default under the pains and penalties in such cases made and provided.

To -----
to serve and return.

Given under my hand, by order of the committee, this 19th day of March, in the year of our Lord one thousand nine hundred and fifty-eight.

(Signed) JOHN L. McCLELLAN,

Chairman, Senate Select Committee on Improper Activities in the Labor or Management Field.

The CHAIRMAN. You are familiar with the records the subpoena called for, are you, Mr. Presser?

Mr. PRESSER. I read the subpoena and I think I understand what it said.

The CHAIRMAN. You have that information. The Chair asked you before we recessed, after you had stated that you had complied with the subpoena to the best of your ability, whether all of the records called for in the subpoena that were in your possession, control, or available to you at the time the subpoena was served, which was on the 23d day of March 1958, whether any of those records had been destroyed by you since the subpoena was served.

The Chair, with the permission of the committee, had ordered and directed you to answer that question after you had invoked the fifth amendment. That order still stands.

Are you now willing to obey the orders of the committee and answer the question?

Mr. PRESSER. I honestly believe that if I am forced to answer the question, I will be forced to be a witness against myself in violation of my rights under the fifth amendment of the United States Constitution.

The CHAIRMAN. Well, I do not know whether you are committing perjury, or whether you are defying the committee and committing yourself to contempt of the U.S. Senate. There is hardly any other alternative. You are doing one of the two because you swore under

oath that you had complied with the subpoena to the best of your ability.

Now, if you have delivered all of the records to the committee that the subpoena calls for that were within your power and your control or your possession or that were available to you at the time the subpoena was served, then your statement that you have complied to the best of your ability would be a truthful statement.

If, on the other hand, you have not delivered the records that were available to you and in your control or possession, but have destroyed them or any part of them since the subpoena was served on you, then in my judgment you definitely would be in contempt of the U.S. Senate.

I am trying to let you take your choice which road you want to travel. I have no alternative except to recommend to this committee an action of contempt against you if you now refuse to answer the question as to whether you destroyed any of these records.

(The witness conferred with his counsel.)

The CHAIRMAN. You may consult with your counsel.

The WITNESS. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. All right, Mr. Presser, you have had the benefit of counsel and you have heard the admonition of the Chair on behalf of the committee.

You may now proceed, Mr. Kennedy.

Mr. SHERIDAN. We have subpoenaed the records of Mr. Presser's local, as well as the joint council and various other Teamster locals.

The CHAIRMAN. Do you have that subpoena?

Mr. SHERIDAN. We don't have it here, Senator. It is downstairs.

The CHAIRMAN. Let us have that subpoena, please, and I want to interrogate the witness about that subpoena.

In the meantime, Counsel, you may proceed, but I want to further interrogate this witness about the subpoena of the locals' records.

Proceed.

Mr. KENNEDY. Mr. Chairman, prior to interrogating Mr. Sheridan about what we have found in connection with the records, I would like to read from this copy of the quarterly conference meeting of the Ohio Conference of Teamsters, Saturday, November 13, 1954, at 10:30 a.m., Commodore Perry Hotel, Toledo, Ohio.

The CHAIRMAN. What are you reading from?

Mr. KENNEDY. This is from the conference minutes of that meeting.

The CHAIRMAN. Let the witness identify the minutes.

Mr. Sheridan, do you identify those minutes?

TESTIMONY OF WALTER SHERIDAN—Resumed

Mr. SHERIDAN. Yes; I do.

The CHAIRMAN. How were they procured—from where?

Mr. SHERIDAN. They were procured in Cincinnati, Ohio, from the records of Local 100 of the International Brotherhood of Teamsters.

The CHAIRMAN. Are they a part of the records and documents you procured under subpoena from that local?

Mr. SHERIDAN. This particular local, yes. It was under subpoena, and we did obtain these.

The CHAIRMAN. They were obtained under process of subpoena?

Mr. SHERIDAN. Yes, sir.

The CHAIRMAN. That may be made exhibit No. 183.

(Document referred to was marked "Exhibit 183" for reference and may be found in the files of the select committee.)

The CHAIRMAN. Now, you may read from it.

Mr. KENNEDY. Mr. Chairman, Mr. Presser is talking to the meeting, and he is talking about the recent investigation that has been made of him by a committee of the House of Representatives.

The CHAIRMAN. We are reading from the minutes of a meeting, and what is the date of it?

Mr. KENNEDY. The meeting is November 13, 1954. For instance, he states that:

Certain teamsters in the State of Ohio were used for political purposes. I was one of them. It was pretty rough and a rotten time. I am happy to say that the hearings, as far as the people involved in the hearings in Washington and Cleveland, are over. Of the people that were involved, not a single one was indicted for anything—no one was cited for any contempts—no perjuries—which just bears out the fact, fellows, again, that when you maintain a position where politicians and people in public life can take a whack at you, you have to stand there and take it, and be big enough to understand that the press of our Nation, in its interest to gather news, and give it to the public, does not have time, nor take the necessary precautions, to always speak the truth.

Then in another case there is the following quotation:

I am going to stick my neck out by saying this: I don't know how to say it, but I have to say something. There is no Federal law on the statute books that states that a labor organization has to keep books and records beyond its audit period. Under the law, it is a misdemeanor if you don't have those books. Take it for what it is worth. That goes especially for those so-called clean organizations that never did anything wrong in their entire existence, because you are going to find, if you took \$5 and used it for the benefit of one of your members, with the consent of the executive board, and the consent of the membership, someone will get indicted, as they indicted a business agent in one of our big cities yesterday—only \$5—the board approved the action.

The CHAIRMAN. The whole minutes are made an exhibit, and so you may read excerpts from it.

Mr. KENNEDY. I was just wondering in connection with that, Mr. Presser, how did you know that there were not going to be any further hearings of that committee?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Over here on page 3, it states:

I am going to stick my neck out by saying—

and this is the part—

The CHAIRMAN. This is Mr. Presser still talking?

Mr. KENNEDY. Yes; and it is in connection with these documents that I would like to bring out:

I don't know how to say it but I have to say something. There is no Federal law on the statute books that states that a labor organization has to keep books and records beyond its audit period. Under the law, it is a misdemeanor if you don't have those books. Take it for what it is worth. That goes especially for those so-called clean organizations that never did anything wrong in their entire existence, because you are going to find, if you took \$5 and used it for the benefit of one of your members, with the consent of the executive board, and

the consent of the membership, someone will get indicted, as they indicted a business agent in one of our big cities yesterday—only \$5—the board approved the action.

Now, what I would like to ask you about, Mr. Presser, is this: Were you or weren't you suggesting at that time that there be a destruction of the records in the various locals in the Ohio area?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Why else did you point out to them that there was no crime to destroy books and records, or not to keep books and records beyond a certain period?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Now I would like to ask Mr. Sheridan what we have found as to what books and records were available in the various units under Mr. Presser's control.

Mr. SHERIDAN. We have subpoenaed the records of several locals in the Cleveland area, and just running down the list, local 436, which is Mr. Triscaro's local, there was nothing in the cashbooks and there were no records prior to January of 1954. Canceled checks and check stubs, nothing prior to January 1955. Minutes of meetings, nothing prior to January of 1955. Bank statements, nothing prior to January of 1954.

Local 555, which is Mr. Presser's local, the daybooks, there was nothing prior to July of 1954, and the other records were complete in local 555.

The National Over the Road Conference, nothing prior to April of 1955, as far as canceled checks and check stubs went, and the bank statements, nothing prior to January of 1955.

Joint council 41, the cashbooks, nothing prior to January of 1954, and in 1954 we got the disbursements from joint council 41 which are ordinarily kept together with receipts, but we did not get the receipts and we haven't been able to locate those. Canceled checks, nothing prior to January of 1954. Payroll records, nothing prior to January of 1956. And the payroll records, I am not certain about that.

The CHAIRMAN. What is that?

Mr. SHERIDAN. I am not certain in the case of the payroll records, whether we actually asked them for payroll records prior to 1956.

Joint council 41, retirement fund, the ledger sheets, nothing prior to May of 1954, and canceled checks, nothing.

The CHAIRMAN. You mean the retirement fund records are not available?

Mr. SHERIDAN. Prior to May of 1954, as far as the ledger sheets and prior to November of 1955, canceled checks. There are no canceled checks prior to November of 1955.

Joint council 41 building association, cashbooks, nothing prior to July of 1954, and canceled checks, nothing prior to December of 1956. Bank statements, nothing prior to January of 1957.

I will have to check that. The check stubs from January of 1955 to December of 1956 were turned over to us on July 18, 1958.

The joint council 41 welfare fund, there was nothing prior to December of 1956, and bank statements, nothing prior to January of 1957.

The Ohio Conference of Teamsters, we found that there were no records prior to January of 1957.

Mr. KENNEDY. These were the important ones?

Mr. SHERIDAN. These were important records; yes.

Mr. KENNEDY. What was the explanation for those?

Mr. SHERIDAN. The explanation for that was that a Mr. Cozza, Michael Cozza, one of the attorneys for the Teamsters Union in Cleveland, had come to Columbus in 1956 and had taken the records to Cleveland, saying that the Internal Revenue Service wanted to look at the records. Now, we checked with the Internal Revenue Service and they said that they did ask Mr. Cozza to bring the records to Cleveland so they could check them, and, however, when they went to check them, Mr. Cozza informed them that he had sent the records back to Columbus, and the records never arrived in Columbus.

Mr. Cozza claims the records were lost in the mail.

Mr. KENNEDY. So what records are missing for that unit?

Mr. SHERIDAN. All of the records prior to January of 1957.

Mr. KENNEDY. Were any of those records destroyed purposely, Mr. Presser?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. SHERIDAN. Excuse me, Mr. Counsel. It was January 1956. All records prior to January 1956.

Mr. KENNEDY. And they were the ones that were supposed to have been sent in the mail but never arrived at their destination?

Mr. SHERIDAN. That is correct. In addition to that, I might point out that when we went over to go through the correspondence files of the joint council 41, we were informed—as we were going through the files we noticed there was very little correspondence prior to 1957–58. So I asked the secretary in the office what had happened to the previous correspondence, and she told me that they had been taken with the other records subpoenaed by the committee, and had been delivered with those records. Those records were not received by us. Mr. Cozza says he does not have them, and they are also missing.

Mr. KENNEDY. Can you tell us where they are, Mr. Presser?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Mr. Sheridan, do you know for a fact, from your review of the records, that any of the records were destroyed after the subpoena was served on Mr. Presser?

Mr. SHERIDAN. Yes, sir; I do.

Mr. KENNEDY. There were certain records that were destroyed?

Mr. SHERIDAN. Yes, sir.

The CHAIRMAN. What records?

Mr. SHERIDAN. These are records of the joint council 41.

The CHAIRMAN. Just a moment.

Mr. Presser, are you president of joint council 41?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Is it a fact that he is the president of joint council 41?

Mr. SHERIDAN. Yes, it is, sir.

The CHAIRMAN. I present to you another subpoena dated the 1st of April 1958, addressed to Joint Council 41, the International Brotherhood of Teamsters, Cleveland, Ohio.

According to the return on it, it appears to have been served on you, Mr. Presser, as president on the 3d day of April 1958. I ask you to examine that copy of the subpoena and state if you identify it.

(The witness conferred with his counsel.)

The CHAIRMAN. You have examined the subpoena, have you?

(The witness conferred with his counsel.)

Mr. PRESSER. Yes, I have examined it.

The CHAIRMAN. You identify it as the copy of the subpoena served on you?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. The subpoena, together with the return thereon, will be printed in the record at this point. It shows to have been served by Mr. Paul Riebesell.

It may be printed in the record at this point.

(The subpoena referred to follows:)

UNITED STATES OF AMERICA

CONGRESS OF THE UNITED STATES

To Joint Council No. 41, International Brotherhood of Teamsters, Cleveland, Ohio, Greeting:

Pursuant to lawful authority, you are hereby commanded to appear before the Senate Select Committee on Improper Activities in the Labor or Management Field of the Senate of the United States, on Forthwith, 195__, at ----- o'clock ----- m., at their committee room, Room 101, Senate Office Building, Washington, D.C., then and there to testify what you may know relative to the subject matters under consideration by said committee, and produce all your records for the period January 1, 1949, to date, including cash receipts and disbursements books, ledgers, canceled checks, check stubs, daybooks, paid bills, records of loans, correspondence files, memoranda, payroll records, minutes of meetings, record of all bank accounts, opened and closed, relating to joint council No. 41 welfare records, building association records, special fund records and the Teamsters yearbook.

Hereof fail not, as you will answer your default under the pains and penalties in such cases made and provided.

To ----- to serve and return.

Given under my hand, by order of the committee, this 1st day of April, in the year of our Lord one thousand nine hundred and fifty-eight.

/s/ JOHN McCLELLAN,
Chairman, Senate Select Committee on Improper Activities
in the Labor or Management Field.

Production of records in Washington, D.C., will be waived if they are made available in Cleveland, Ohio, forthwith.

April 3, 1958, I made service of the within subpoena by personal service----- the within-named president, William Presser, Joint Council No. 41, at 2070 East 22d Street, Cleveland, Ohio----- at 3:40 o'clock p.m., on the 3d day of April 1958.

/s/ PAUL T. RIEBESELL.

The CHAIRMAN. According to this subpoena, it was served on you as president of Joint Council 41, International Brotherhood of Team-

sters, Cleveland, Ohio, on the date shown on the return. By that subpoena, you were ordered to produce all your records for the period January 1, 1949, to date, including cash receipts and disbursement books, ledgers, canceled checks, check stubs, daybooks, paid bills, records of loans, correspondence files, memorandums, payroll records, minutes of meetings, records of all bank accounts opened and closed relating to joint council 41, welfare records, building association records, special fund records, and the Teamsters' year book.

Have you complied with that subpoena?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. You are ordered and directed to answer the question whether or not you have produced or if you are now ready and prepared to produce the records called for by this subpoena.

Mr. PRESSER. I honestly believe that if I am forced to answer the question, I will be forced to be a witness against myself in violation of my rights under the fifth amendment of the United States Constitution.

The CHAIRMAN. You understand, do you, we are asking for the records of a union, of a union organization, joint council 41, not your personal records in the subpoena, but the records of the union, which do not belong to you but which belong to the organization?

You understand that; do you?

(The witness conferred with his counsel.)

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Mr. Sheridan, to what extent has this subpoena been complied with?

Mr. SHERIDAN. By joint council 41?

The CHAIRMAN. Yes.

Mr. SHERIDAN. It has been complied with to this extent: Cash books have been provided for the years January 1954 to December 1957. Canceled checks from January 1954, to December 1957. Payroll records from January 1956 to December 1956. Cash disbursements for the year 1954. However, no cash receipts. There are other things mentioned in the subpoena which include other organizations, such as joint council 41, I believe mentioned the building association.

Do you want me to go through all of those?

The CHAIRMAN. The question is: Has this subpoena been complied with and these records produced as called for?

Mr. SHERIDAN. No; it has not.

The CHAIRMAN. I believe you have already stated some of these things. But there are a number of records in here that have not been produced?

Mr. SHERIDAN. Yes, sir.

The CHAIRMAN. Give me a list of those.

Mr. KENNEDY. If he could describe the circumstances, Mr. Chairman, of receiving the records, and what occurred—

The CHAIRMAN. Well, let me get the list and then he can tell the circumstances, because I want to ask this witness about producing

them. The subpoena was served on him, and he is the president. They were certainly records within his control.

Mr. SHERIDAN. Of joint council 41, cashbooks prior to 1954, canceled checks prior to January 1954, payroll records prior to January 1956, cash receipts for the entire year of 1954. That is all as far as joint council 41 goes.

The CHAIRMAN. Do you mean those have been supplied?

Mr. SHERIDAN. Those have not been supplied.

The CHAIRMAN. I want to ask you about those, Mr. Presser. Were those records available, were they there under your control as president of this joint council 41 at the time this subpoena was served on you?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. These are records belonging to the union and not to you personally. Therefore, the Chair, with the approval of the committee, orders and directs you to answer the question.

Mr. PRESSER. I honestly believe that if I am forced to answer the question I will be forced to be a witness against myself in violation of my rights under the fifth amendment of the United States Constitution.

The CHAIRMAN. Have you delivered, pursuant to this subpoena, all of the records it calls for that were within your possession, control, or available to you as president of the joint council 41 at the time the subpoena was served on you?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. I order and direct you to answer the question, with the approval of the committee.

Mr. PRESSER. I honestly believe that if I am forced to answer the question I will be forced to be a witness against myself in violation of my rights under the fifth amendment of the United States Constitution.

The CHAIRMAN. As president of this joint council 41, have you complied with this subpoena to the best of your ability?

(The witness conferred with his counsel.)

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Do you have in your possession, or have you had in your possession and control, and under your authority and jurisdiction since the service of this subpoena, any records called for by it that you have not produced or that you are not now ready and willing to produce in compliance with the directions of the subpoena?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. With the permission of the committee and the approval of the members, you are ordered and directed to answer that question.

Mr. PRESSER. I honestly believe that if I am forced to answer the question I will be forced to be a witness against myself in violation of

my rights under the fifth amendment of the United States Constitution.

The CHAIRMAN. You understand that it is the view of the Chair, at least, that a failure and refusal to answer these questions places you squarely in contempt of the U.S. Senate, and it will be the duty of the Chair to recommend that action accordingly be taken by the committee. Do you understand that?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. You can consult your attorney about it. I am trying to give you every admonition that I know that should be given to you under these circumstances. I don't want to take any advantage of the witness.

I am trying my best to get an understanding of whether you are complying or refusing to comply with this subpoena.

(The witness conferred with his counsel.)

Mr. LAWSON. Mr. Chairman, may I say this for the record: That there has been some confusion about representation of Mr. Presser. As has been indicated here, his chief counsel is a Mr. Nee of Dayton, Ohio, with whom I have not had the opportunity to consult. My understanding is that it was never Mr. Presser's intention to testify regarding certain records about which I know nothing, and as to which I am not in the proper position to advise him.

The CHAIRMAN. You know the import of these questions, and you know whether he should answer or not. That is, you can exercise your judgment as a lawyer to tell him whether he should or should not. Here is a legal document issued under the authority of the U.S. Senate, calling for the production of certain records. I am simply trying to ascertain whether he has complied with it, whether he is now prepared to comply with it, that is, to produce these records, or whether he has refused and still refuses to comply with this subpoena.

He can answer that. He does not have to have a lawyer, other than you telling him whether you think he should or should not answer it.

Mr. LAWSON. I think I understand the import of the questions and the responsibilities here. But because I don't have the facts upon to which to predicate my advice to him, I think he should have the opportunity to consult with these people, Cozza and Nee, or whoever they are, who have been transferring these records around. So I take the position that I am not in a position to advise him, and he ought to have an opportunity to consult counsel who apparently know something about these records.

The CHAIRMAN. How long will it take you to get these records here?

Mr. LAWSON. As to that, I don't know—

The CHAIRMAN. I am asking the witness.

(The witness conferred with his counsel.)

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. I am simply trying to ascertain whether, if given time, any additional time, you would be willing to comply. If you are unwilling to, or won't tell the committee whether you are willing to comply or not, I can see no reason for granting additional time.

(The witness conferred with his counsel.)

The CHAIRMAN. The question is: If you have not up to now complied with the subpoena, how much time do you want to comply with it?

(The witness conferred with his counsel.)

Mr. PRESSER. I am sorry, sir, I don't know. I will have to consult my counsel in Ohio.

The CHAIRMAN. You have counsel here. You will know how long it will take you or won't take you.

(The witness conferred with his counsel.)

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. All right. Proceed.

I have ordered this subpoena printed in the record.

Mr. KENNEDY. These are records, Mr. Chairman, that we are interested in. There has been some testimony about other records that the lawyer says that he sent, and which have disappeared. What we are asking Mr. Presser about are records that he himself knows about, and records that he himself had custody and control over at the time the subpoena was served. Those are the records I am asking about.

I want to ask you, Mr. Presser, whether you removed or destroyed any records yourself or had them removed or destroyed since the subpoena has been served, as called for by this subpoena with respect to the records of the joint council 41.

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the U.S. Constitution to be a witness against myself.

The CHAIRMAN. With the approval of the committee, the Chair orders and directs you to answer the question.

Mr. PRESSER. I honestly believe that if I am forced to answer the question, I will be forced to be a witness against myself, in violation of my rights—

Mr. KENNEDY. Mr. Sheridan, would you give us the situation?

Mr. SHERIDAN. On September 9, 1958, I reviewed the correspondence files of joint council 41. I noted among the files an envelope which contained several pieces of paper, several documents, invoices, and the envelope was marked "Christmas list," and all of the documents referred to Christmas presents purchased by joint council 41 for various individuals.

I made notes concerning one of these documents, and I have my notes here. Do you want me to read them?

The CHAIRMAN. All right. You examined the original document?

Mr. SHERIDAN. Yes, I did, Senator.

The CHAIRMAN. All right, proceed.

Mr. SHERIDAN. My notes read as follows: September 9, 1958, Xmas list—

The CHAIRMAN. Is that for next Christmas?

Mr. SHERIDAN. No, it is the abbreviation for "Christmas."

The CHAIRMAN. I was wondering which Christmas.

Mr. SHERIDAN. I was taking notes relative to an invoice, which is invoice No. 1670, from the Rudolph Deutsch Industrial Sales Co.

The CHAIRMAN. What is the date of it?

Mr. SHERIDAN. The date is December 8, 1955.

Second floor, Bulkley Building, Cleveland, Ohio.

In the right hand top corner of the invoice there were two telephone numbers, Main 1-2880 and Main 1-7875, and the name Mrs. Roma. These numbers are reflected in my notes.

The invoice refers to eight champagne masters.

The CHAIRMAN. Eight what?

Mr. SHERIDAN. Champagne masters.

The CHAIRMAN. What is a champagne master?

Mr. SHERIDAN. I do not know, sir.

Priced at \$100 apiece, total amount, \$800.

The CHAIRMAN. What?

Mr. SHERIDAN. The total amount of the cost of the champagne masters was \$800.

The CHAIRMAN. Eight of them at \$800?

Mr. SHERIDAN. No, eight at \$100 each for a total of \$800.

The CHAIRMAN. That is what I mean.

Mr. SHERIDAN. The State tax was \$24, for a total of \$824. This invoice had on the left side of the invoice a list of names—

The CHAIRMAN. How many names?

Mr. SHERIDAN. Eight names, being the eight people to whom the champagne masters were to be delivered. The names were as follows: Beck, English, Hoffa, Brennan, Connell, Bender, Bliss, and Dorfman.

The CHAIRMAN. Dorfman?

Mr. SHERIDAN. Dorfman.

The CHAIRMAN. Does that make eight names?

Mr. SHERIDAN. Eight names.

The invoice also contained the notation that the bill was paid by check No. 8302, on December 29, 1955.

The CHAIRMAN. Check No.—What was that?

Mr. SHERIDAN. 8302, dated December 29, 1955.

The CHAIRMAN. December 29, 1955?

Mr. SHERIDAN. Yes, sir.

The CHAIRMAN. What happened to that invoice?

Mr. SHERIDAN. I left the invoice along with the correspondence which I requested from Mr. Presser, because he told me he wanted to photostat anything we were taking. So I returned 3 days later to pick up the photostated material. Mr. Presser did not have the photostated material, but he gave me the original documents which I asked for. I looked through the documents and noticed that the envelope I referred to was missing. A sheet of yellow paper, I believe it was yellow paper, that there were names on, corresponding to the names on this invoice, was also missing. The invoice itself, which is right here, had been torn in such a manner as to remove the names of the people listed.

The CHAIRMAN. Do you have there the remnants in your hand of the original invoice about which you have testified?

Mr. SHERIDAN. I do, Senator.

The CHAIRMAN. That remnant may be made exhibit No. 184.

(The remnant referred to was marked "Exhibit No. 184" for reference and will be found in the appendix on p. 15349.)

The CHAIRMAN. Now, as I understand you, when you first examined this invoice there was nothing torn off of it.

Mr. SHERIDAN. That is correct.

The CHAIRMAN. And the notes from which you have testified were made at the time that you first examined it?

Mr. SHERIDAN. That is correct.

The CHAIRMAN. Three days later when you went back to get a photostatic copy of it, you found it in this condition?

Mr. SHERIDAN. Yes, sir.

The CHAIRMAN. What was torn off of it?

Mr. SHERIDAN. The eight names that I read off to you.

The CHAIRMAN. They had been torn off?

Mr. SHERIDAN. Yes, sir.

The CHAIRMAN. Mr. Presser, I assume you would know about that, would you?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Did you tear off those names, mutilate that record, or order or direct or suggest to anyone else that they do so?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Just on this, Mr. Sheridan, isn't it correct that part of the document was cut across?

Mr. SHERIDAN. Yes, it was.

Mr. KENNEDY. Then there were erasures that occurred at the top?

Mr. SHERIDAN. The top name was erased, the name of Beck was erased.

Mr. KENNEDY. The top name was erased, that would appear there.

The bottom part of the sheet was cut off, and the top name was erased, and evidently an attempt was made to erase the rest of the names, and it started to rip, and so the rest of the sheet was ripped off?

Mr. SHERIDAN. That is right.

Mr. KENNEDY. This was much longer originally?

Mr. SHERIDAN. Here is the original size.

Mr. KENNEDY. What did you do after you found that he had done this?

Mr. SHERIDAN. After I found he had done that, I went to the Rudolph Deutsch Industrial Sales Co. and obtained their copy of the invoice.

Mr. KENNEDY. Do you have that?

Mr. SHERIDAN. I have that right here.

The CHAIRMAN. Does that have all of those names on it?

Mr. SHERIDAN. Yes.

The CHAIRMAN. Let us see that. Is that a carbon copy of this original invoice?

Mr. SHERIDAN. It is a carbon copy.

The CHAIRMAN. We can make a comparison.

Now let this carbon copy invoice be attached, and made exhibit 184-A.

(Document referred to was marked "Exhibit 184-A" for reference and will be found in the appendix on p. 15350.)

Mr. KENNEDY. Now, here are Mr. Sheridan's notes that he made at the time.

The CHAIRMAN. Are these the notes that you made at the time that you examined the original invoice?

Mr. SHERIDAN. Yes, sir.

The CHAIRMAN. They may be made exhibit 184-B, and that will be attached.

(Document referred to was marked "Exhibit 184-B" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. Now, there was attached to this invoice another sheet of paper?

Mr. SHERIDAN. Yes; there was.

Mr. KENNEDY. That listed these names; is that correct?

Mr. SHERIDAN. That is correct.

Mr. KENNEDY. The full names?

Mr. SHERIDAN. It listed an initial with the last name.

Mr. KENNEDY. This list just has the last name?

Mr. SHERIDAN. Yes, sir.

Mr. KENNEDY. The other listed the initials as well?

Mr. SHERIDAN. That is correct.

Mr. KENNEDY. And that document was missing entirely?

Mr. SHERIDAN. It was missing entirely.

Mr. KENNEDY. As well as the envelope?

Mr. SHERIDAN. That is right.

The CHAIRMAN. Now, Mr. Presser, would you like to give us some explanation or statement about this and a little comment?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Would you like to have the initials put in?

The CHAIRMAN. Do you have the initials? Do you show the initials on your original notes?

Mr. SHERIDAN. On the bottom of my original notation which says "Other list," and it has the initial "G" Bender, and the initial "R" Bliss.

The CHAIRMAN. Were initials on any of the others?

Mr. SHERIDAN. There were initials with other names, but these are the only two I have here.

The CHAIRMAN. You knew who the others were?

Mr. SHERIDAN. Yes; I did.

Mr. KENNEDY. Mr. Chairman, we have some other minutes, and I wonder if we could have those introduced and made exhibits for reference, other minutes of the meetings that we might want to discuss.

The CHAIRMAN. Identify the minutes of the other meetings and whatever other meetings you have.

What is the document you hold in your hand, Mr. Sheridan?

Mr. SHERIDAN. These are the minutes for the quarterly conference of the Ohio Conference of Teamsters, which was held in Columbus, Ohio, September 30, 1955. These were also obtained from the local 100 of the International Brotherhood of Teamsters, in Cincinnati, Ohio.

The CHAIRMAN. For what meeting are they?

Mr. SHERIDAN. They are for the Ohio Conference of Teamsters quarterly meeting held on September 30, 1955.

The CHAIRMAN. They may be made exhibit 185.

(Document referred to was marked "Exhibit 185" for reference and may be found in the files of the select committee.)

The CHAIRMAN. Mr. Presser, can you tell us what a champagne master is?

(The witness conferred with his counsel.)

The CHAIRMAN. Just for our enlightenment.

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. All right, off the record and out from under oath, will you tell us for just our enlightenment and edification. I don't even know what it is.

(The witness conferred with his counsel.)

The CHAIRMAN. I will not bind you by this. You are out from under your oath.

(The witness conferred with his counsel.)

The CHAIRMAN. Now you are not compelled to answer this, and if you do not want to, it is all right.

Mr. PRESSER. If I am not compelled to, I would just as soon not.

The CHAIRMAN. You are not compelled to.

Back under oath again. Let us proceed.

Mr. KENNEDY. Could I have Mr. Sheridan introduce another set of minutes? This is November 22, 1954, the minutes of the meeting.

The CHAIRMAN. What do you have in your hand, Mr. Sheridan, what document?

Mr. SHERIDAN. These are the minutes for the executive board meeting of joint council 26, for November 22, 1954. Joint council 26 is located in Cincinnati, Ohio.

The CHAIRMAN. They may be made exhibit 186.

(Document referred to was marked "Exhibit 186" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. Now, in these minutes, Mr. Chairman, it states that there is a letter. This is November 22, 1954. There is a letter from joint council 41, Cleveland, Ohio, wherein request was made for financial assistance for several Teamster officials recently under attack by the newspapers and various branches of the Government. The letter was read, and upon motion by Trustee Luken, seconded by Vice President Griffith, after some discussion on the subject, the motion was voted on and passed.

Could you tell us about that letter, Mr. Presser, that you sent out?

Mr. PRESSER. If you read the letter to me, I probably would be able to tell you about it.

Mr. KENNEDY. Now, this is all of the information I have. The letter is missing.

The CHAIRMAN. Tell us what became of the letter and maybe we can find it and read it.

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Is the letter still in existence? I don't want to make a vain search for it.

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Could you tell us what was done with that money that you raised on November 22, 1954, Mr. Presser?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Is it not correct that certain payments had already been made and this was a question of reimbursing the funds from which the money had been taken?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Was that money used for political purposes, that you were trying to raise there, or trying to reimburse?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. According to the information we have regarding the letter, and you do not have the letter with you, do you?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. According to the information we have, among other things, the letter said, or rather you announced at the time the letter was read at the meeting—we were not there and we do not have it exactly, but just to refresh your memory, was it announced at that meeting, and I quote:

Other money was spent to pull certain strings to see that the charges were dropped.

Do you recall that?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. This letter would be very helpful if we could find it?

Mr. PRESSER. Yes, sir.

The CHAIRMAN. You agree with that, do you?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. What were the charges at that time that you wanted to have dropped?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. What charges had you had dropped by that time?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Does that have anything to do with your announcement at a meeting earlier in November that there would be no more committee meetings of the committee that was investigating you at that time?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. I have some other matters, Mr. Chairman.

The CHAIRMAN. Proceed.

Senator IVES. Mr. Presser, I hand you a check drawn on the High-town office of the Ohio National Bank of Columbus, Ohio Conference of Teamsters, payable to the order of G. H. Bender, for \$1,000, signed by William Presser, president, and John Pfeiffer, secretary-treasurer.

I hand you this check for your identification.

(A document was handed to the witness.)

Senator IVES. What do you have to say about that?

Mr. PRESSER. What is the question?

Senator IVES. Will you identify that check and do you recognize it?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Senator IVES. All right, Mr. Counsel.

That will be made exhibit 187.

(Document referred to was marked "Exhibit 187" for reference and will be found in the appendix on p. 15351.)

Mr. KENNEDY. This itself is dated August 15, 1958, and it states on the check stub, "Public relations and professional services and expenses."

Could you tell the committee what that was for?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Is this Ohio Conference of Teamsters, that is your organization; is it not?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Is this your signature on this check?

(The witness conferred with his counsel.)

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

(Members of the select committee present at this point in the proceedings: Senators McClellan, Ives, and Church.)

The CHAIRMAN. Did your membership or your executive board or whatever the authority is that you have, the governing body of this Ohio Conference of Teamsters, know anything about this check?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. All right, proceed.

Mr. KENNEDY. Mr. Presser, if you wouldn't give us any answer on that, could you tell us at all about the \$1,500 that was used for the purchase of the awnings for Mr. Triscaro?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. You heard the testimony here about your having given him a check for \$1,500 to pay on his awning bill? You heard that testimony this morning, did you?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. I present to you a check that has been made exhibit No. 182, a check in the amount of \$1,500, made payable to the order of Romade of Cleveland, dated August 22, 1958, in the amount of \$1,500, and the check appears to have your signature as president, and Don Pfeiffer as secretary-treasurer of Ohio Conference of Teamsters. I will ask you to examine that exhibit and state if you identify it, that photostatic copy of the check.

(Document handed to the witness.)

(Witness consulted with his counsel.)

The CHAIRMAN. Do you identify the check?

Mr. WITNESS. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Will you state for what purpose that check was issued?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Did it actually go to pay on the awnings, and was it intended to pay on the awning account of Mr. Triscaro?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Was it an honest transaction, one that you can talk about?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Now I hand you here—who is the recording secretary of joint council 41? What is his name?

(The witness conferred with his counsel.)

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Who is Edwin M. Elkin? Do you know him?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Is he secretary of the Ohio Conference of Teamsters?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Do you know Charles E. Bond?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Is he the recording secretary of Teamsters Joint Council No. 41?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. I hand you here what purports to be the original minutes of the executive board meeting of Teamsters Joint Council No. 41, held Thursday, August 14, 1958, at the Carter Hotel, Cleveland, Ohio, bearing the signature of, apparently, Charles E. Bond, recording secretary, and ask you to examine this document and state if you identify those minutes.

(Document handed to the witness.)

(The witness conferred with his counsel.)

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. I hand you here now what purports to be a photostatic copy of minutes of the executive board meeting of the Ohio Conference of Teamsters held August 14, 1958, bearing, apparently, the signature of Edwin M. Elkin, secretary.

Will you please examine those minutes and state if you identify them?

(Document handed to the witness.)

(The witness conferred with his counsel.)

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Mr. Reporter, let your record show that the witness physically examined both documents that have just been submitted to him.

Will you return them to me now, please?

Mr. SHERIDAN, I hand you here a document, and wish you would identify it, please, sir.

Mr. SHERIDAN. These are the minutes of the executive board meeting of Teamsters Joint Council No. 41, held on Thursday, August 14, 1958, at the Carter Hotel in Cleveland, Ohio.

The CHAIRMAN. Where did you procure them?

Mr. SHERIDAN. These minutes were procured from joint council 41 records in Cleveland, Ohio.

The CHAIRMAN. These minutes may be made exhibit 188.

(The documents referred to were marked "Exhibit No. 188" for reference and may be found in the files of the select committee.)

The CHAIRMAN. I hand you now another document and ask you to examine it and state if you identify it.

Mr. SHERIDAN. These are the minutes of the executive board meeting of the Ohio Conference of Teamsters held on August 14, 1958, at the Carter Hotel, Cleveland, Ohio.

The CHAIRMAN. Where did you procure that document?

Mr. SHERIDAN. This was procured from Robert C. Knee, attorney for the Ohio Conference of Teamsters.

The CHAIRMAN. It may be made exhibit No. 189.

(The document referred to was marked "Exhibit No. 189" for reference may be found in the files of the select committee.)

The CHAIRMAN. I note that these two documents, these minutes, or these two different meetings, were held on the same day, August 14, 1958. I don't know what significance that has.

Counsel, you may proceed.

Mr. KENNEDY. Mr. Chairman, the wording in both of these minutes is very similar. I would like to have permission to read one of them into the record.

The CHAIRMAN. You may read excerpts from them.

Which one will you read from first?

Mr. KENNEDY. This will be the minutes of the executive board meeting of the Ohio Conference of Teamsters, held August 14, 1958.

The CHAIRMAN. May I ask you, were you present at that meeting, Mr. Presser?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Senator IVES. Mr. Chairman, I would like to know which meeting came first.

Mr. KENNEDY. They are both the same day.

Senator IVES. I know they are the same day, but there must have been one ahead of the other. Did one come in the morning and the other in the afternoon, or the other in the morning and the first one in the afternoon? How about it?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Senator IVES. I think it would be confusing to have minutes like these.

Mr. KENNEDY (reading):

The meeting was called to order by Chairman Presser. All of the officers and division heads were present with the exception of Dale Mann, who was on vacation. Robert C. Knee, general counsel of the Ohio Conference of Teamsters was present. The officers of joint council 41 were present as observers. The meeting, as stated by Chairman Presser, was called first for the express purpose of giving the board members of the Ohio Conference of Teamsters information pertaining not only to individuals in the Teamster movement, but the autonomy and welfare of the movement itself in the State of Ohio; and second to officially obtain certain authority to protect the Teamster movement in the State of Ohio. Chairman Presser continued his statement and report as follows:

He stated that the monitors of the international who were appointed by court order, were either now taking or momentarily contemplated taking, certain action, or would probably insist that the general president would take certain action which would affect detrimentally certain labor leaders of the Teamster movement; that the contemplated action not only affected those leaders, but through them the entire structural autonomy as we know it to exist; that under the contemplated action no one would be safe, and since the movement cannot exist apart from individuals, and since the movement, in the true sense of the word, is made up of individuals, Chairman Presser reported that in his opinion the movement was in jeopardy.

Following Chairman Presser's statement, a report and full discussion was had among the officers and division heads who were present in open meeting assembled and in the presence of the observers. During this discussion, a few illustrations or examples of the contemplated action were brought out.

The general president either has or will be requested by the monitors to summarily fire at least 60 Teamster officials, among whom, and high on the list, was Chairman Presser. Presser continued and stated that the monitors' request, or contemplated request of the general president was in truth an ultimatum—from this move would sprout a consistent pattern to run or control the international union, from the contemplated installation of a bookkeeping system,

which as Presser stated, would be foreign to the Teamster movement, to the election of convention delegates by the locals.

It was even stated, according to Presser, that one of the monitors indicated that areas or locals within the Teamster jurisdiction would not be permitted to choose their own legal counsel. Presser further pointed out that in his informed opinion these actions, even though done under color of authority, would not only have the smack of illegality, but would be ruinous to this or any other labor movement and its autonomy.

In passing, Chairman Presser stated that it was contemplated to eliminate all business representatives or labor leaders who had records in the past, no matter how honest the individual is now living his life. It was also contemplated to eliminate anyone who had a bad reputation, or who associated with anyone who had a bad reputation; that anyone who availed himself of the fifth amendment under the Constitution of the United States would also be eliminated; also, should a member of a local bring a charge against any officer of that local, that officer would be suspended pending the hearing and without salary.

The following official action was duly taken in open meeting assembled: Motion by Starling, seconded by Elkin, that Presser be authorized to expend the necessary moneys to engage counsel and/or other necessary or proper personnel for the purpose of protecting Teamster individuals and the autonomous rights of the Teamster movement in the State of Ohio, because the operations of those individuals are irrevocably linked with the Teamster movement in Ohio—the two being inseparable; and that Chairman Presser, if he should deem it advisable, take the lead in order that the intent of this motion be activated.

The question being called, the motion was put to vote. Unanimously carried.

Senator IVES. I would like to ask Mr. Presser how many attended this meeting.

(The witness conferred with his counsel.)

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. This is the last paragraph, and probably the most interesting:

Motion by Heindorff and seconded by Triscaro, that if for any reason, physical or otherwise, Chairman Presser as a result of his activities in opposition to the contemplated move of the monitors, the International Union, any of the officers of the international, or any individual, he is severed from his status or position in the Ohio Conference of Teamsters or the Teamster movement, then and in any of which events he—or in the event of his demise, his wife, Faye—will be paid an amount equivalent to what would be 1 year's salary paid by joint council 41, to wit: The sum of \$20,000.

Question being called, motion being put to oral vote. Unanimously carried.

There being no other or further business to come before the meeting, same was adjourned.

The CHAIRMAN. Was that a form of severance pay, Mr. Presser?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. We had encountered something like that before under little different circumstances, and they called it severance pay.

How did your organization regard it?

Mr. PRESSER. Mr. Senator, can we go off the record and out from under oath?

The CHAIRMAN. Well, I would like to have it under oath. You wouldn't mind, would you?

Mr. PRESSER. Well, I would like to make a statement, if I wasn't under oath.

The CHAIRMAN. I would like you to make it under oath. I would like to have the truth.

Mr. PRESSER. I will tell you the truth, if you will let me get out from under oath.

The CHAIRMAN. Well, if you will say it under oath—do I understand you wouldn't tell it under oath?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Senator IVES. I would like to point out something about Mr. Presser. He is the antithesis of Barney Baker.

Mr. PRESSER. Sir?

Senator IVES. I didn't ask a question.

Mr. KENNEDY. That was for the Ohio Conference of Teamsters. There was a meeting at the same time of joint council 41, in which Mr. Presser gave exactly the same talk on the same day, August 14, 1958.

The CHAIRMAN. Did you have a meeting of the two at the same time and then keep minutes separate: is that correct?

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Or did you just go from one to the other? I thought it might have been a matter of convenience to hold them together and let them keep their separate minutes.

Mr. PRESSER. I will be happy to explain it if I am not under oath.

The CHAIRMAN. I want it under oath. I don't know why an oath should keep you from telling the truth. You can explain why it does.

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Mr. Chairman, if he went from one meeting to another, it was rather a profitable trip, because he got another \$20,000 from joint council 41.

The CHAIRMAN. Let's see that. Where?

Mr. KENNEDY. He got \$40,000 in the two meetings.

The CHAIRMAN. One was to pay him 20?

Mr. KENNEDY. They are both to pay him 20.

The CHAIRMAN. Each to pay him 20?

Mr. KENNEDY. Each to pay him 20.

The CHAIRMAN. You were kind of getting prepared for any eventuality, weren't you?

Mr. PRESSER. Am I under oath?

The CHAIRMAN. Yes.

Mr. PRESSER. Do you want me to answer that question, sir?

The CHAIRMAN. Yes, I would like for you to.

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. All right. Proceed, Mr. Kennedy.

Did you have another meeting somewhere we don't have any record of?

Did you?

Mr. PRESSER. It is up to Mr. Kennedy to produce it.

The CHAIRMAN. Well, we can't keep up with all of you fellows, you know. We have to have a little cooperation from you, if we make the record complete.

Mr. PRESSER. Did you ask me a question?

The CHAIRMAN. Yes.

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Proceed, Mr. Kennedy.

Are there any further questions?

The orders that the Chair has previously given you still stand. You are given this final opportunity before you are excused from the witness stand to state whether you will comply.

(The witness conferred with his counsel.)

Mr. PRESSER. Sir, I don't understand——

The CHAIRMAN. The questions that were asked you that the Chair ordered and directed you to answer, that order still stands, as I advised you before noon, before we recessed. It will stand until you leave the witness stand. Do you want to comply and answer the questions, or do you still decline?

(The witness conferred with his counsel.)

Mr. PRESSER. I respectfully decline to answer the question and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. All right. Thank you.

My understanding is that we have, and I say this, but counsel can supplement it, for the information of members of the committee, we have a great deal more of this, but I am not taking the time today to put it all into the record. It is futile to go on. This witness is not going to answer any questions that will be helpful. But counsel advises we have a great deal more of the same information in our file. I think this makes the record sufficient, however.

Mr. KENNEDY. I was thinking more on the matter of the letter that was written back in 1954, Mr. Chairman, that we talked about briefly. We have more information in connection with matters surrounding that situation, which we have discussed but which we do not expect to go into at this time.

The CHAIRMAN. There is some additional information needed. That will be withheld for the present.

Are there any questions?

If not, you may stand aside for the present.

Do you think you will need this witness any more today?

Well, you may stand aside for the rest of the day. We will ascertain before you leave whether you will be needed further.

The committee will take a 5-minute recess.

(A brief recess was taken.)

(Members of the select committee present at the taking of the recess were Senators McClellan, Ives, and Church.)

The CHAIRMAN. The committee will come to order.

Call the next witness.

Mr. KENNEDY. Mr. Hoffa is the next witness.

The CHAIRMAN. Mr. Hoffa, will you come forward?

TESTIMONY OF JAMES R. HOFFA, ACCOMPANIED BY COUNSEL,
EDWARD BENNETT WILLIAMS, GEORGE FITZGERALD, AND
DAVID PREVIAANT—Resumed

The CHAIRMAN. All right, Mr. Hoffa, you will remain under the same oath.

Mr. Hoffa, the Chair presents to you a check dated October 11, 1956, in the amount of \$1,000, payable to John Wilson, and it is drawn on Truck Drivers Local No. 299, and signed by Mr. Frank Collins, secretary and treasurer, and countersigned by you. Will you examine the check and state if you identify it, please.

(A document was handed to the witness.)

Mr. HOFFA. It is a 299 check.

The CHAIRMAN. I beg your pardon?

Mr. HOFFA. It is a 299 check.

The CHAIRMAN. That is local 299?

Mr. HOFFA. That is right.

The CHAIRMAN. That check may be made exhibit 190.

(Document referred to was marked "Exhibit 190" for reference and will be found in the appendix on p. 15352.)

The CHAIRMAN. You may proceed, Mr. Kennedy.

Mr. KENNEDY. Now, the date of this check is October 11, 1956, Mr. Hoffa. Could you tell us what that was for, to John Wilson?

Mr. HOFFA. Who is John Wilson?

Mr. KENNEDY. It is your check for \$1,000.

Mr. HOFFA. It is not my check; it is the union's check. Whose check is it?

Mr. KENNEDY. I will give you the stub, and perhaps that will help.

The CHAIRMAN. I present to you what appears to be a photostatic copy of the stub of the check which I have just presented to you, and which has been made exhibit 190. Will you examine that, please, and state if you identify that as a stub of the check.

(A document was handed to the witness.)

The CHAIRMAN. Have you examined it, Mr. Hoffa?

Mr. HOFFA. It is a stub of the 299 checkbook.

The CHAIRMAN. Thank you very much.

That may be made exhibit 190-A.

(Document referred to was marked "Exhibit 190-A" for reference and will be found in the appendix on p. 15353.)

The CHAIRMAN. Proceed, Mr. Kennedy.

Mr. KENNEDY. Now, this says John Wilson, legal services rendered, \$1,000. What services did he perform?

Mr. HOFFA. I don't know.

The CHAIRMAN. Do you know him, Mr. Hoffa?

Mr. HOFFA. I never met him.

The CHAIRMAN. You have no knowledge of this check?

Mr. HOFFA. I can't recognize the check, except the fact it says "Wilson, \$1,000 for legal services."

Mr. KENNEDY. Can you recall any legal services he did, Mr. Hoffa?

Mr. HOFFA. I hire lawyers and many times I don't use them for legal services and I pay them a retainer and this may have been one of them.

Mr. KENNEDY. Was that in fact what happened with John Wilson?

Mr. HOFFA. I can't answer that question, and I don't know.

The CHAIRMAN. Do you know where Mr. Wilson lives, and where he practices law?

Mr. KENNEDY. It says on the back here, Richard Blake. Do you know Richard Blake?

Mr. HOFFA. I don't recall the name.

Mr. KENNEDY. Do you know Richard P. Blake?

Mr. HOFFA. I might but I don't recall the name. I may have met him sometime or other.

The CHAIRMAN. The check appears to be endorsed "John Wilson, pay to Richard P. Blake," and then it appears to be endorsed by Richard P. Blake. You have no information about it or knowledge about it, and you can give us no information as to the check and for what purpose it was issued.

Mr. HOFFA. The check was issued in October of 1956 which is a long time ago, and a lot of checks have passed through my hands since and I cannot recall the particular checks, Senator.

The CHAIRMAN. And you do not recall that you know Mr. Wilson or any services that he performed for you?

Mr. HOFFA. I don't remember Wilson at all, sir.

Mr. KENNEDY. How about Mr. Blake? Do you remember Blake at all?

Mr. HOFFA. The name doesn't register.

Mr. KENNEDY. You don't know anything about this check?

Mr. HOFFA. I cannot say I don't know anything about it, and it may be one of numerous checks that I issued. I may have instructed someone else to issue it. I don't issue checks.

Mr. KENNEDY. That is too bad.

The CHAIRMAN. Proceed.

I present you another check dated June 19, 1956, payable to Florida National Bank, signed by Frank Collins and countersigned by you, and drawn on Truck Drivers Local No. 299, in the amount of \$300,000. Will you please examine that check and state if you identify it?

(A document was handed to the witness.)

Mr. HOFFA. It is a 299 check.

The CHAIRMAN. All right, the check may be made exhibit 191.

(Document referred to was marked "Exhibit 191" for reference and will be found in the appendix on p. 15354.)

The CHAIRMAN. Proceed, Mr. Kennedy.

Mr. KENNEDY. Could I see the check again, please?

This check is dated June 19, 1956, Truck Drivers Local Union 299, and it is made payable to the Florida National Bank for \$300,000.

Could you tell the committee the circumstances surrounding issuance of that check?

Mr. HOFFA. The check speaks for itself; it is a deposit in a bank.

Mr. KENNEDY. Why were you depositing \$300,000 in a bank?

Mr. HOFFA. Because I wanted to.

The CHAIRMAN. Now, Mr. Hoffa, you have been very nice so far, and let us try to answer the question.

Mr. HOFFA. Senator, I am answering the question, and I deposited the check because I decided it was for the best interests of local 299 to do so.

The CHAIRMAN. Did you have some particular transaction there, that it was in connection with?

Mr. HOFFA. I didn't have a transaction personally, no.

The CHAIRMAN. I did not say you particularly, and now if you want to get down to specific, did you or your Teamster organization have any business transaction there that this check is related to?

Mr. HOFFA. It was a deposit and I believe it is still on deposit, Senator.

The CHAIRMAN. That still does not answer it.

Did you have a business transaction there?

Mr. HOFFA. Only the depositing of the check, to the best of my knowledge.

The CHAIRMAN. No other business transaction?

Mr. HOFFA. Not to my knowledge.

The CHAIRMAN. Nothing in connection with it?

Mr. HOFFA. Not to my knowledge.

The CHAIRMAN. All right, proceed.

Mr. KENNEDY. Why would a local in Detroit decide to send \$300,000 to this Florida National Bank, and why did you, Mr. Hoffa, make that decision?

Mr. HOFFA. Mr. Kennedy, I make decisions every day of the week. I make decisions based upon what I believed at that time was for the best interests of the organization, and I made this check as a deposit or instructed this check to be made as a deposit in that bank because I believed at that time it was for the best interests of the union; and so there wouldn't be any mystery about the check, we at that time were trying to arrange to buy some lots for the local 299 members in Florida at a reduced rate.

Mr. KENNEDY. How were you arranging that? I would like to get the story. I know you can feel it presumptuous for someone to ask you how you handled a check for \$300,000 of union funds, Mr. Hoffa; but I am asking you about it, and I would like to find out what the situation is in connection with it.

Mr. HOFFA. I have answered, Senator, the question asked by the counsel.

Mr. KENNEDY. I still do not understand.

What kind of lots, what was the arrangement and who was down there? Explain all that to the committee. Who did you have the conferences with?

Would you give us an explanation of the \$300,000?

Mr. HOFFA. I have given you an explanation to the depositing of the check.

Mr. KENNEDY. Now then——

Mr. HOFFA. Just a moment. I have said that the local 299 and joint council 43, which comprises all of the Teamster local unions, were interested in seeing that their members were able to secure lots in Florida at Sun Valley, at a reduced price per lot.

The CHAIRMAN. Now, this check then was deposited there in connection with the Sun Valley project?

Mr. HOFFA. Not in connection with Sun Valley.

The CHAIRMAN. Not exactly Sun Valley?

Mr. HOFFA. It was not in connection with Sun Valley, sir.

The CHAIRMAN. It had no relation whatsoever to Sun Valley?

Mr. HOFFA. Sun Valley could not at any time have drawn any money out of this bank account so far as the \$300,000 was concerned.

The CHAIRMAN. I understand that, and I am not contending that, but was this check deposited there to make some arrangements with the bank for accommodations in connection with the Sun Valley project?

Mr. HOFFA. This money was placed in the bank in Florida, at a request of Henry Lower, for the purpose of being able to have our money in a bank secured as other funds of local 299 which it has in two other banks.

The CHAIRMAN. It had then, and I am trying to get now, or you have a Sun Valley project down there?

Mr. HOFFA. I don't have one, sir.

The CHAIRMAN. All right now, if you want to get so particular, there is a Sun Valley project down there?

Mr. HOFFA. Yes; there is.

The CHAIRMAN. And it has been associated with this union, and you had an interest in it?

Mr. HOFFA. I had an option.

The CHAIRMAN. You had an option on the whole thing?

Mr. HOFFA. No; I didn't.

The CHAIRMAN. On how much of it?

Mr. HOFFA. Forty-five percent of it.

The CHAIRMAN. Forty-five percent of it?

Mr. HOFFA. Yes, sir.

The CHAIRMAN. You did have an interest in it?

Mr. HOFFA. I had an option, sir, and I never exercised it.

The CHAIRMAN. You had an option and that gave you the right to exercise it; did it not?

Mr. HOFFA. If and when I desired to; yes, sir.

The CHAIRMAN. If and when you desired to, and that was a right that you possessed.

Now, I am not trying to get technical and you are starting it this way. But you did have that interest, and the interest of a right to purchase 45 percent of it.

Mr. HOFFA. I had the option, sir.

The CHAIRMAN. And that option provided that; did it not?

Mr. HOFFA. Yes, it did, sir.

The CHAIRMAN. Proceed, Mr. Kennedy.

Mr. KENNEDY. Do you have a copy of that option?

Mr. HOFFA. I don't.

Mr. KENNEDY. Where is it?

Mr. HOFFA. I would like to find it.

Mr. KENNEDY. You have lost the option?

Mr. HOFFA. For some unknown reason I can't locate it, and I looked high and low for it.

Mr. KENNEDY. We have been asking for this option for 14 months, and when did you lose it?

Mr. HOFFA. I have not been able to find the option and I have been looking all around for it, but I would like to have the option. I am still looking for it.

Mr. KENNEDY. I have had at least a dozen conversations with George Fitzgerald in which he said you were going to produce the option, and at no time up to now was I told you had lost the option.

Mr. HOFFA. I do not say I have lost it, and it may be misplaced somewhere, but I can't find it, and I have tried to find it, to please Fitzgerald so he could present it to this committee. I probably will find it somewhere, and I don't know where it is. Eventually, I don't know where it is and I could have put it somewhere.

Mr. KENNEDY. When was the last time that you saw it?

Mr. HOFFA. I can't hardly remember it after the first time I had it.

Mr. KENNEDY. What did you do with it then?

Mr. HOFFA. I don't know, and I wish I did know.

Mr. KENNEDY. To show it to someone?

Mr. HOFFA. I don't recall what happened to it, and I think that I left it on my desk, or in my drawer or some place, and I can't find where that option is at this moment. I don't say it is lost, but it is misplaced and I can't find it.

Mr. KENNEDY. Who prepared the option for you?

Mr. HOFFA. Lower brought it to my office and I don't know who prepared it for him.

Mr. KENNEDY. Did you show it to George Fitzgerald?

Mr. HOFFA. I don't know if I did or not, and I may have.

Mr. KENNEDY. What about Owen Bert Brennan?

Mr. HOFFA. I don't remember. I guess I did.

Mr. KENNEDY. Did he have an option, too?

Mr. HOFFA. The option was partially Brennan's.

Mr. KENNEDY. Each one of you had an option to buy 45 percent?

Mr. HOFFA. No; the 45-percent option was 45 percent and Brennan was to get half of the option if and when we exercised it.

Mr. KENNEDY. And it was in connection with that Sun Valley project that you sent the \$300,000 down to the Florida bank?

Mr. HOFFA. Mr. Kennedy, it wasn't in connection with Sun Valley, but Sun Valley was in Florida and we had money in a bank anyway, and it didn't make much difference where the money was deposited, and the money was deposited in that bank on the same basis as I believe it was deposited in a bank in Detroit.

Mr. KENNEDY. Why did you happen to send the money down there if it had nothing to do with Sun Valley?

Mr. HOFFA. I decided, and I will accept the responsibility, that the money was as safe there as anywhere else and would do the same good there as anywhere else.

Mr. KENNEDY. You did not answer the question?

Mr. HOFFA. What is the question?

Mr. KENNEDY. Why did you send the money down there?

Mr. HOFFA. I just told you, and I made the decision to do it.

Mr. KENNEDY. Why? What was the basis for making the decision to send the \$300,000 to the Florida bank if it was not in order to induce them to loan money on this land scheme in which you had a financial interest?

Mr. HOFFA. They could have loaned Lower money with or without, and if the money helped him borrow the money, I would have had no objection to him being able to borrow money, provided none of the money that belonged to 299 could have been used or could have been drawn by Lower for any part of any business that he was in, and only 299 could have used that money. That is the way it was deposited, and that is the way it has been.

Mr. KENNEDY. The reason you sent it down there, Mr. Hoffa, was to induce them to loan money on this; was it not?

Mr. HOFFA. They had already made up their mind to loan the money.

Mr. KENNEDY. Will you tell the committee why you sent the money down there?

You just do not take money out of a bank in Detroit, when your local is up there, and send it to just any Florida bank. You must have had some reason for it.

Mr. HOFFA. Why not? I don't understand why not.

Mr. KENNEDY. That is how you run your local, Mr. Hoffa?

Mr. HOFFA. My local union was protected by the same laws in a bank in Florida as they were protected by a bank in Detroit, and the local union could suffer no losses from this being deposited in Florida.

Mr. KENNEDY. Mr. Hoffa, you had to have something, or something had to happen to have Mr. Hoffa decide to send the \$300,000 down there. I am asking you what happened to induce you to send \$300,000 to Florida.

Mr. HOFFA. I told you at the very outset, that our members were to get lots at a reduced rate from joint council 43.

The CHAIRMAN. With whom was that arrangement made?

Mr. HOFFA. With Sun Valley.

The CHAIRMAN. It was made with Sun Valley?

Mr. HOFFA. Yes, sir.

The CHAIRMAN. How would sending \$300,000 down to that bank help them get a reduced rate on the lots?

Mr. HOFFA. Lower agreed—

The CHAIRMAN. I am trying to get the connection.

Mr. HOFFA. Lower agreed through Sun Valley to give our members a reduced price on the lots. I believe they saved \$150, if I am not mistaken.

The CHAIRMAN. Was that on condition you send this money down?

Mr. HOFFA. No. I am quite sure, Senator, that that agreement was made prior to that, but I did make a deposit in the bank and I believe the money is still there under the same conditions as it would have been in a bank in Detroit. If it helped Lower get a loan for Sun Valley, then it would have been satisfactory to me. But it did not affect at any time the deposit of 299.

The CHAIRMAN. Was that discussed between you and Mr. Lower before the money was sent down there, that it would help him?

Mr. HOFFA. I believe Lower had his loan prior to that time, Senator.

The CHAIRMAN. He had the promise of it, did he not?

Mr. HOFFA. I think that he had the loan, Senator, and I think the dates must be in the committee's hands.

The CHAIRMAN. Was he not trying to negotiate for the loan, and in the course of that negotiation, this money was sent down there?

Mr. HOFFA. I think that he had it, and if he didn't have it then, either way we deposited the money, and if Lower could have gotten a loan for Sun Valley, it would have been of benefit to our members.

The CHAIRMAN. Do you think if it had not been for Sun Valley that money would have ever gone to that bank?

Mr. HOFFA. I question whether it would or not.

The CHAIRMAN. I do, too.

Senator IVES. I would like to ask a question.

Mr. KENNEDY. I can straighten out the dates.

Senator IVES. I am not interested so much in the dates, if I can get a question in here. I am curious about this deposit of \$300,000. Was that drawing interest or was it in a checking account, or what account did you have it in?

Mr. HOFFA. Offhand, I can't tell you, sir.

Senator IVES. You left \$300,000 there without getting any interest on it?

Mr. HOFFA. I say offhand I can't tell you.

Senator IVES. Well, are you not the one who deposited it?

Mr. HOFFA. I had the secretary-treasurer forward the money down to the bank, and I can't tell you or give you the answer to that question.

Senator IVES. I am a little curious, because \$300,000 is a sizable amount of money, and it has been there how long now?

Mr. HOFFA. What date did you say; 4 years ago?

Senator IVES. I did not say.

Mr. KENNEDY. It was 1956.

Senator IVES. That is a lot of interest on \$300,000 in a 2-year period. Are you leaving it there indefinitely?

Mr. HOFFA. Am I leaving it indefinitely there? Until such time as we need the money, I assume we will.

Senator IVES. Were you getting any interest on it in Detroit?

Mr. HOFFA. I don't handle the bank accounts or the records will have to indicate whether or not we did or didn't, and I don't know.

Senator IVES. Mr. Hoffa, all I am asking you is a straight question regarding your business habits in matters of this nature. It is customary when one has a large deposit in a bank against which nothing is being drawn, and I take it nothing has been drawn on this \$300,000?

Mr. HOFFA. Not to my knowledge.

Senator IVES. That is it. It is customary to have some kind of an arrangement with the bank so you get interest, and it may be a very tiny amount, only half of 1 percent or 1 percent or something like that.

Mr. HOFFA. Maybe it does, and I don't know.

Senator IVES. I am just making a suggestion to you in connection with your finances. Apparently you have these deposits in banks around the country, and it would seem to me that better business judgment would be that it should be drawing some money on it as a matter of general policy for you.

Do you not think so yourself?

Mr. HOFFA. It may be drawing interest, Senator, and I don't know.

Senator CHURCH. I wonder if counsel can tell us whether this is in a savings account or a checking account, because the average rate of 3 percent which is standard rate nowadays, this would in 2 years' time accumulate \$18,000 worth of interest.

Mr. KENNEDY. According to our information, it is not drawing interest.

Senator CHURCH. It is not?

Mr. KENNEDY. It is not.

Senator CHURCH. It would be a matter of considerable inducement to a bank to have \$300,000 in capital not drawing interest.

Mr. KENNEDY. Yes, and I think the chairman has something to add on that.

The CHAIRMAN. May I ask you, Mr. Hoffa, if it is not a fact that your check was dated June 9, 1956, making the deposit, and the loan to Sun Valley, and I am not sure how the loan was made, to the development project, the loan was made to him or to the Sun Valley project the next day on June 20?

Mr. HOFFA. I don't know that, Senator, and if you say it is true, it could be true.

The CHAIRMAN. I think that that is what the records reflect.

Mr. HOFFA. I don't know.

The CHAIRMAN. We can establish that.

You see the significance of it, Mr. Hoffa? It looks like there is an arrangement there, that if you put some money down there, maybe without interest, and leave a sizable amount down there, Sun Valley would get accommodated for a loan. That is the way it looks on the face of it.

Now, do you have any further explanation about it?

Mr. HOFFA. I don't have any explanation, except what I gave, Senator.

The CHAIRMAN. Proceed.

Mr. KENNEDY. I have some other documents.

The CHAIRMAN. Mr. Hoffa, I present to you two more checks, photostatic copies, one dated November 13, 1956, and the other dated the next day, November 14, 1956, made payable to the Florida National Bank, each of them in the amount of \$100,000, drawn to the same account of your local.

Would you examine those checks and state if you identify them?

(Documents were handed to the witness.)

Mr. HOFFA. There are local 299 checks.

The CHAIRMAN. Thank you very much. They may be made exhibits 192-A and B.

(Documents referred to were marked "Exhibits 192-A and 192-B" for reference and will be found in the appendix on pp. 15355-15356.)

The CHAIRMAN. All right, Mr. Hoffa, were these placed down there under the same circumstances of the other deposit?

Mr. HOFFA. Well, I don't recall those two checks. I don't remember discussing the question, and I probably did, and it was probably the same circumstances, but I don't recall, and I thought there was \$300,000 and not \$500,000 there. But if the checks are there, the money is still there.

Senator IVES. I would like to put a question there.

Apparently you have quite a number of deposits around the country, that is, your union, that you control yourself. Is that correct?

Mr. HOFFA. That is right.

Senator IVES. Have you any idea what they amount to in the aggregate?

Mr. HOFFA. No. But I could find out what it aggregates.

Senator IVES. I wondered if you knew yourself. I would like to know what they amount to, if you would let me know.

The CHAIRMAN. All right. Proceed.

Mr. KENNEDY. Why did you send this \$200,000 down there, Mr. Hoffa?

Mr. HOFFA. Probably for the same reason, although I don't recall the \$200,000.

Mr. KENNEDY. Do you mean you could send \$200,000, sign a check or have a check out of your local for \$200,000 and not remember anything about it?

Mr. HOFFA. Mr. Kennedy, if there had been an arrangement made to make a \$300,000 deposit, and it was necessary to make a \$100,000 more at various times, two other times, it would simply have been instructed to the secretary-treasurer to draw two checks, \$100,000 each, deposit them in the same bank account and there would have no reason to make other arrangements than the first bank account.

The CHAIRMAN. Mr. Hoffa, you said if it were necessary to send more. What do you mean? What caused the necessity for that?

Mr. HOFFA. I don't know, sir. When I say necessity, I mean if something would have come up, a suggestion, a discussion, or whatever it would have been, there would have been no necessity to arrange a second account. We would have simply put it in the first account.

The CHAIRMAN. All right.

Mr. KENNEDY. Who would know about this, if you don't?

Mr. HOFFA. Nobody would know anything more about it than I do, because I will accept the full responsibility for the checks and the instructions to send them to that bank.

Mr. KENNEDY. You don't seem to be able to give any explanation.

Mr. HOFFA. I gave you an explanation; that it was simply a deposit in the same account that was originally opened, apparently for \$300,000.

Senator IVES. Mr. Chairman, may I raise a question there?

Apparently what is being done here is that these balances from one bank to another are being shuffled around. That is about it; is it not?

Mr. HOFFA. Not in 2 years, sir.

Senator IVES. I am not talking about when. I am talking about what has occurred. You move part of your deposit, at least, from the Detroit bank down to Florida.

Mr. HOFFA. That is right.

Senator IVES. Are you in the habit of doing that with all of your accounts?

Mr. HOFFA. I moved \$125,000, I believe, to Indianapolis.

Senator IVES. Yes, I remember that. Are you in the process of moving anything now?

Mr. HOFFA. Well, not at the present moment, but if the situation arose where I thought it was necessary in behalf of our members to deposit money in a certain locality, I wouldn't see anything unusual about it, Senator.

Senator IVES. I can't argue with you about that. That is perfectly all right, if your reason is legitimate. That is what we are trying to find out, what your reason is, Mr. Hoffa. So far you haven't really given a reason.

Mr. HOFFA. I told you, Senator, and it is a matter of record here, that our members were to get a reduced price on lots in Florida.

Senator IVES. And nothing ever came of the whole thing?

Mr. HOFFA. That isn't true. Many of our members did buy lots.

Senator IVES. Well, nothing was paid for out of this deposit you made in the bank.

Mr. HOFFA. No, excuse me. I didn't say that we were buying the lots. It allowed the members to buy the lots at a reduced price.

Senator IVES. In other words, they could borrow money based on your deposit in that bank, is that it?

Mr. HOFFA. No, sir.

Senator IVES. What was the reason?

Mr. HOFFA. They had a reduced—the arrangement for a reduced price on lots to be able to buy them from Sun Valley, and I believe they saved \$100 or \$150 on those lots by the fact that the Teamsters Union was sponsoring at that time Sun Valley, even though we were not the owners of Sun Valley. We were trying to get a city set up for retirement of Teamsters Union members around the country.

Senator IVES. That is all right so far.

Now, where does the half million dollar deposit enter that?

Mr. HOFFA. It is still in the bank.

Senator IVES. Where does that enter the picture?

Mr. HOFFA. They don't draw any of this money out of that account for the purchase of lots, sale of the lots, or for any transaction at all. It simply is in that bank in Florida in behalf of local 299.

Senator IVES. What do you mean in behalf of 299?

Mr. HOFFA. It is 299's deposit.

Senator IVES. I am probably stupid on this, and I wish you would clear me up.

Mr. HOFFA. It is 299's deposit and can only be drawn for the purpose of 299's expenditures and signed by Collins and myself to draw the check.

Senator IVES. But nothing was drawn to date?

Mr. HOFFA. That is correct.

Senator IVES. And the money has been down there, a half million dollars—

Mr. HOFFA. Two years. Well, no.

Senator IVES. Not quite 2 years?

Mr. HOFFA. You are right.

Senator IVES. It is very mystifying to me why that has to be there, when you do not use any of it, and apparently that is not a factor at all in this lot deal, as I see it.

Mr. HOFFA. Yes; it is.

Senator IVES. How?

Mr. HOFFA. Senator McClellan just stated that Lower had a loan at the bank and Lower was the owner of Sun Valley. Apparently I agreed to deposit money in the bank in 299's account, but not for the purpose of Sun Valley, but to make a deposit from one bank to the other bank, not affecting the 299 funds insofar as expenditures were concerned for Sun Valley.

Senator IVES. That still doesn't answer the half-million-dollar business.

Mr. KENNEDY. Would you read that answer back?

(The reporter read from his notes as directed.)

Mr. HOFFA. Let's clear it up this way, maybe, Senator McClellan. Let's see if we can clear it up this way. The half million dollars, while it may have drawn interest, it would have been set up in a different type of checking accounts, would have drawn less money in my opinion in the way of interests than value received by our members who bought lots at a reduced price.

The CHAIRMAN. Let me see if I understand this, now. In other words, for your members to get lots at a reduced price, you had to put this money in the bank down there where Lower was buying?

Mr. HOFFA. I didn't have to put the money there, Senator.

The CHAIRMAN. Were they going to get the lots at reduced price anyhow?

Mr. HOFFA. I believe they would have, yes, sir; and I think if we could find a folder, and I am quite sure Mr. Kennedy must have it there somewhere, the dates beyond that period of time to where there was an agreement made for the members to get lots at a reduced price, and I believe it was 50 percent of the regular purchase price.

Mr. KENNEDY. That, I believe, goes back to about the first part of 1955, that they were getting lots.

Mr. HOFFA. It could very well go back: 1956, I think, was the first deposit. Is that right?

Mr. KENNEDY. And Johnnie Dio Guardi was getting lots?

Mr. HOFFA. Anybody could have bought lots, but they didn't get them at a reduced price, our members got them. Many people bought them for the purpose of an investment, looking forward to the day that area would be developed down there to where they could have made a tremendous profit on the lots they bought.

Senator IVES. Mr. Chairman, may I ask a question about this gentleman known as Lower? Is that his name?

Mr. HOFFA. Lower. L-o-w-e-r.

Senator IVES. Was he an official of the bank?

Mr. HOFFA. No, sir. He was the president of Sun Valley, and prior to that time had been an officer of the Teamsters local union. A car salesman union.

Senator IVES. He could still be an official of a bank. That is what I was curious about.

Mr. HOFFA. No, he isn't.

Senator IVES. You still haven't cleared this up for me, Mr. Hoffa. I can't understand why you had to deposit a half million dollars down there.

The CHAIRMAN. Let me ask Mr. Hoffa this: According to the records here, when the \$300,000 was deposited on the 19th of November, I believe—the 19th of June 1956, the next day Sun Valley got a loan for \$300,000. Later, in November of the same year, when the two \$100,000 checks were deposited, November 13 and 14, the date of the checks, on November 26, about 10 or 12 days thereafter, November 21 or some few days thereafter, in the same month, Sun Valley got another loan for \$200,000.

Mr. HOFFA. You say Sun Valley did?

The CHAIRMAN. Yes.

Mr. HOFFA. \$500,000 altogether?

The CHAIRMAN. Yes, \$500,000 altogether from the same bank.

Mr. HOFFA. Are you sure of that, Senator?

I don't think that is correct, Senator.

The CHAIRMAN. I am giving you this information as I have it so as to help you.

Mr. HOFFA. I don't think it is correct, Senator, from what I know about it.

Senator IVES. Mr. Chairman, is this the bank where the deposit had been made?

Mr. HOFFA. I think, from what I know about it, there is only a \$300,000 loan from the bank, to the best of my knowledge.

Senator IVES. The same bank?

Mr. HOFFA. I think there is only a \$300,000 loan from that bank, Senator.

Mr. KENNEDY. We can put the documents in. It might be well to put these documents in.

Mr. HOFFA. There might be something that I don't know, that I don't know about.

The CHAIRMAN. The chairman doesn't want to make a misstatement of fact to you. I, of course, am being guided by what the staff members tell me. We will just put the records in.

Mr. KENNEDY. We have this mimeographed, Mr. Chairman.

Mr. HOFFA. I am not aware of it, myself.

TESTIMONY OF CARMINE S. BELLINO—Resumed

The CHAIRMAN. Mr. Bellino, have you made an examination of this bank account at the Florida National Bank, about which we have been taking testimony?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. Have you also made an investigation to ascertain about the loan made to Sun Valley from that same bank?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. Will you state what your records reflect and produce the documents substantiating your statements?

Mr. BELLINO. The \$300,000 loan signed at the Florida National Bank—

The CHAIRMAN. Let's get the deposits first. Do you have those?

Mr. BELLINO. You have the checks, Senator.

The CHAIRMAN. Well, the checks show the first deposit or the first check that was deposited was dated June 19, 1956. What do your records show relative to that date with respect to a loan from that same bank to Sun Valley?

Mr. BELLINO. The account itself is coming up from downstairs on local 299, in the Florida National Bank. But that was deposited either the same day or the next day, about June 20, 1956.

The CHAIRMAN. And that same day a loan was granted to Sun Valley?

Mr. BELLINO. On June 20, 1956, this note evidencing the loan of \$300,000 was obtained from the Florida National Bank.

The CHAIRMAN. You have a copy of that note there?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. Is that a copy of the note?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. That note may be made exhibit 193.

(The document referred to was marked "Exhibit 193" for reference, and may be found in the files of the select committee.)

The CHAIRMAN. Is that a note from the Sun Valley interest to the same bank?

Mr. BELLINO. This is a note signed by Sun Valley Inn, by Henry Lower as president, payable to the Florida National Bank, \$300,000 at 5 percent interest.

The CHAIRMAN. What security is there in back of that note, if it reflects?

Mr. BELLINO. It says moral assignment of various contracts for deeds held by Bank of the Commonwealth, Detroit, Mich.

The CHAIRMAN. What is that?

Mr. BELLINO. Moral assignment.

The CHAIRMAN. Moral?

Mr. BELLINO. Moral; yes, sir.

The CHAIRMAN. Moral assignment. What does that mean? You are an accountant. It may be something I don't know about.

Mr. BELLINO. This meant that the Bank of Commonwealth was collecting the moneys on the sales and they had an understanding that their collections up in Detroit would go for payment against this loan in Florida.

The CHAIRMAN. In other words, sales from Sun Valley?

Mr. BELLINO. That is right.

The CHAIRMAN. Collections from sales at Sun Valley would be applied against this mortgage?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. Any other security given?

Mr. BELLINO. Well, the mortgage on the properties.

The CHAIRMAN. There was a mortgage on the properties?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. And then the pledge of the payment of collections as the property was sold?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. All right. Now you have the \$300,000 loan. When was the next deposit made? And what was the amount of it?

Mr. BELLINO. There were two checks for \$100,000 each dated November 13, and 14, and that was deposited on or before November 20. The bank statement, as I say, is on its way up. On November 20, there was another loan of \$200,000 from the Florida National Bank, signed by Henry Lower, president of Sun Valley, Inc.

The CHAIRMAN. Is that another note?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. That note may be made exhibit 193-A.

(Document referred to was marked "Exhibit No. 193-A" for reference and may be found in the files of the Select Committee.)

Senator IVES. That is 5 percent, too?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. How is it secured?

Mr. BELLINO. A 5-percent note with the same security.

The CHAIRMAN. As the \$300,000 note?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. Then the two loans were made simultaneously or immediately after these deposits were made?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. Are there any further questions, Mr. Kennedy? Senator Ives has a question.

Senator IVES. I would like to know if the loans that were made by the bank are more or less of an offset to this half million dollar deposit.

Mr. BELLINO. I didn't get the question, Senator.

Senator IVES. Were the loans made by the bank more or less an offset to this half million dollar deposit?

Mr. BELLINO. It was with that understanding that the loans, according to the affidavit which we have from the records of the bank, that the loans were being made on the basis that the local union, the Teamsters Union would deposit \$300,000 in the first instance and keep the money there as long as the loan was outstanding.

Senator IVES. The loan could not exceed \$300,000 at that time?

Mr. BELLINO. Well, I don't find anything—

Mr. KENNEDY. They applied it to the loan of \$300,000.

Senator IVES. The reason I bring up this point is I am wondering what the bank is making out of this deal. If it wasn't paying any interest on the deposit and charging 5 percent on the loans, it looks to me that they were making 7 or 8 percent on the deal.

Mr. BELLINO. That was their security.

Senator IVES. That is dandy.

The CHAIRMAN. Do you have the document there with respect to the agreement that this money should remain in the bank?

Mr. BELLINO. I believe it is in the affidavit, Senator.

The CHAIRMAN. Do you also have an affidavit?

Mr. BELLINO. Also, I have an application.

The CHAIRMAN. Do you have a copy of the original application for the loan?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. Has it previously been made an exhibit?

Mr. BELLINO. Yes, sir; in the last hearing.

The CHAIRMAN. What exhibit number does it have?

Mr. BELLINO. No. 32, dated September 28, 1957.

The CHAIRMAN. What does it say about a deposit?

Mr. KENNEDY. It states at one place in there, Mr. Bellino, does it not, that—

As stated above, our bank was told by Mr. Lower, in the presence of Mr. McCarthy, at the outset of the loan negotiations, that Mr. Hoffa had a principal interest in Sun Valley, Inc. At first Mr. Lower said that this interest of Mr. Hoffa could not be revealed publicly. He did not say why. On November 16, 1956, Mr. Lower told me personally, in the presence of Mr. McCarthy and our current president, Mr. Willard, that as of that time he was free to reveal Mr. Hoffa's interest, where he had not been previously.

Isn't that contained in that affidavit?

Mr. BELLINO. Yes, sir; it is in the affidavit.

The CHAIRMAN. Have you made note of it there?

Let's get the affidavit and the original application together so we can examine them.

Mr. BELLINO. Here is a photostat of the affidavit, Senator.

The CHAIRMAN. Has it previously been made an exhibit?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. What exhibit number does it bear?

Mr. BELLINO. 32-A, B, and C. It is a part of that exhibit. We have the original here also.

The CHAIRMAN. I didn't understand you.

Mr. BELLINO. We have the original affidavit.

The CHAIRMAN. You have the original affidavit and also a photostatic copy?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. Who is the affidavit by?

Mr. BELLINO. This affidavit is by Mr. Omar Hewitt, Jr., vice president of the Florida National Bank, at Orlando.

The CHAIRMAN. What I am trying to determine here, and what I think should be cleared up, is whether these funds were actually used as collateral for this loan, or if there is any agreement that the funds should remain deposited in that bank during the life of the loan.

Mr. HOFFA. Senator, there is no commitment by 299 to that extent. The best evidence is we withdrew \$100,000 from that bank, according to this statement.

The CHAIRMAN. That may be true. I am just trying to clear it up, because it should be cleared.

Mr. BELLINO. My recollection of discussions with Mr. Hewitt, and from these very lengthy documents, my recollection is that the money was being deposited with the understanding that it would remain there as long as the loans were outstanding.

The CHAIRMAN. Does he state that in his affidavit? I do not want your conversation with him. That might have some bearing if he told you that. But what does he state in the affidavit about it?

Mr. KENNEDY. While he is looking that up, could I ask Mr. Hoffa a question about that?

The CHAIRMAN. All right.

Mr. KENNEDY. Wasn't this money advanced down there, Mr. Hoffa, to induce the bank to loan the money?

Mr. HOFFA. In my opinion, the bank would have loaned the money—

Mr. KENNEDY. Just answer that question.

Mr. HOFFA. I am answering the question, Senator. If you want an answer, I will answer the question.

Mr. KENNEDY. You are not answering the question.

The CHAIRMAN. Let him proceed. We will pursue it until we get the answer.

Mr. HOFFA. In my opinion, the money would have been loaned on the property, because of the value of the property, regardless of 299's deposit in the bank. However, by depositing the money in the bank, it may have helped Lower or Sun Valley get the loan. But in return our members were able to purchase lots at a reduced rate which, in my opinion, was of far greater benefit to the members than a question of some slight interest on the money.

The CHAIRMAN. Now, Mr. Hoffa, I think that agreement, some arrangement, had been made some year before.

Mr. HOFFA. What?

The CHAIRMAN. That they could purchase the lots.

Mr. HOFFA. That is right.

The CHAIRMAN. Then that had nothing to do with this, because that agreement and arrangement was already in effect.

Mr. HOFFA. Except the fact that the property, if I remember correctly, wasn't ready to be sold, and the money had to be borrowed to be able to subdivide the property for the members.

The CHAIRMAN. To develop it?

Mr. HOFFA. Yes.

The CHAIRMAN. And, therefore, you thought your members might benefit some by reason of getting it developed?

Mr. HOFFA. They did benefit. And that was our belief.

Senator IVES. May I ask a question there, Mr. Chairman?

I would like to find out how many members bought lots.

Mr. HOFFA. Offhand I don't know, but I would say well over a hundred.

Senator IVES. One hundred, and you lost approximately \$15,000 to \$30,000 in interest?

Mr. HOFFA. I would say well over a hundred. I don't know exactly the number, but it was well over 100. It could have been 200, 300, or 400.

Senator IVES. What did the lots sell for? Do you remember?

Mr. HOFFA. I think \$300, if I am not mistaken, normally. And I think now they are up to about \$900.

Senator IVES. In other words, the regular price they would have had to pay at the time would have been \$450 approximately?

Mr. HOFFA. No, I think it was about \$150 to the union.

Senator IVES. About half price?

Mr. HOFFA. I think that is correct. Somewhere there is a procedure—I am sure they have it here—which outlines the details of what the members could buy the lots for at the reduced rate.

Senator IVES. When you say there is a hundred, you think, that bought them, that is \$15,000?

Mr. HOFFA. I would say a minimum of a hundred and far greater than that if we could get the full details. I am sure they must have it from Sun Valley's office here.

Senator IVES. While you are getting that other material for me about your accounts, I wish you would get that.

Mr. HOFFA. I can't get it for you.

Senator IVES. You can't get it?

Mr. KENNEDY. Mr. Hoffa, still going back to the question I asked you, you loaned or you advanced this money, put this money in the Florida bank, in order to induce them to loan money to Sun Valley, did you not?

Mr. HOFFA. It may have had some influence on the loan, but it wasn't tied down to the effect that he either got the loan or he didn't based upon the money.

Mr. KENNEDY. Then why did you put the money down, if it wasn't so that Sun Valley could develop these lots? Why did you send the money down if that wasn't the reason?

Mr. WILLIAMS. That wasn't his answer, Mr. Kennedy. His answer, as I understand it, was that it may have had some influence on the loans to Sun Valley but wasn't a condition prerequisite to it.

The CHAIRMAN. Let me ask this question. Was that a part of your consideration in deciding to send the money down there, to assist in getting this loan?

Mr. HOFFA. It could have been, but I think generally—

The CHAIRMAN. Well, it could have been. Was it or wasn't it?

Mr. HOFFA. Senator, I think generally if Lower had come into the office and requested that we make a deposit down there without his property, we might have done it. But you can say that it had an

influence to a degree on our members getting the benefit of reduced lot prices.

The CHAIRMAN. They were already getting that.

Mr. HOFFA. But it wasn't subdivided, Senator, or developed to the point that the commitments would have been all right for them.

Mr. KENNEDY. How did depositing the money in the Florida bank help the members buy lots from Sun Valley if it wasn't that the money was to be used to develop Sun Valley? Mr. Hoffa, your answer just doesn't make any sense.

Mr. HOFFA. The \$300,000 that Lower borrowed was for the purpose of developing Sun Valley.

Mr. KENNEDY. Right.

Mr. HOFFA. But the money we deposited could not be used for the purpose of, or any part of, Sun Valley.

Mr. KENNEDY. How would you depositing money in this Florida bank help your members buy lots from Sun Valley?

Mr. HOFFA. They couldn't have bought lots if the land wasn't subdivided.

Mr. KENNEDY. So how was your depositing money in the bank in Florida helping to subdivide the lots in Sun Valley?

Mr. HOFFA. Lower had a loan—Lower requested me—he had a commitment—I will put it in the Senator's words—he had a commitment for a loan. He requested me to put the money in the bank. I put the money in the bank but would not allow it to be used as collateral or any part of the loan. It probably did affect—

Mr. KENNEDY. Was it in connection with the loan?

Mr. HOFFA. Wait a minute. It probably did affect the question of Lower getting the loan to divide Sun Valley where our people could get the benefit of buying the lots.

The CHAIRMAN. Don't you know that it was put in there to enable them to get this loan?

Mr. HOFFA. Lower didn't tell me that that was the only way he could get it, and I didn't talk to the bank officials about the loan.

The CHAIRMAN. I did not ask you what was told to you. Did not you know, and was not it your belief at the time, that it was necessary to put this money down there in order for Lower to get the note?

Mr. HOFFA. Senator, I don't believe that it was necessary to put it there. I think it assisted him, but I think he could have gotten the loan based purely on the value of the land, after it was developed, Senator.

Senator CHURCH. Mr. Chairman, I think we could determine pretty clearly the extent of the inducement on the bank involved in this transaction.

Mr. Bellino, can you testify as to the interest being paid on this bank on its savings accounts?

Mr. BELLINO. No, sir.

Senator CHURCH. You do not know what percentage?

Mr. BELLINO. No, sir; I would think around 2 percent.

Senator CHURCH. Assuming that the interest would be 2 percent, \$500,000 deposited at 2 percent would amount to \$20,000 in 2 years' time, would it not, so that the benefit derived by the bank under an arrangement of this kind, where \$500,000 is placed interest-free on deposit in the bank, as compared to what would normally be the ar-

rangement where the bank is paying interest on the money it loaned, entails a saving to the bank of \$20,000 in 2 years, and also entails a loss to the union of \$20,000, which would otherwise be obtainable through the investment of these unused funds in an account that paid interest. Is that not true?

Mr. BELLINO. Yes, sir.

Mr. HOFFA. Senator Church, we withdrew on December 11, 1956, \$100,000 from that deposit and placed it back in City Bank.

Senator CHURCH. However, at this time you still retained on deposit \$400,000 in this Florida bank.

Mr. HOFFA. Right, which would change the figures, I would agree.

Senator CHURCH. The next question is: Could you tell me how much the loan has been reduced?

Mr. HOFFA. No; I can't.

Senator CHURCH. Is it possible that the loan has been reduced by \$100,000?

Mr. HOFFA. I don't know. Maybe they can answer that. I don't know.

Mr. KENNEDY. The one important thing is—you talk about the developing of the lots for the Teamsters. The important thing is, Mr. Hoffa, your own personal financial interest, the fact that this money was going to be loaned on this land scheme also helped you financially, you and Mr. Owen Bert Brennan, because you had an option on this. This is not just a question of union funds going down there to help Teamsters. These are union funds being sent down there, a loss to the union of almost \$20,000, to help Mr. James Riddle Hoffa and Mr. Owen Bert Brennan.

Mr. HOFFA. Mr. Senator, may I straighten Mr. Robert Kennedy's thinking about that question out?

If you will look in the first page, you will find in the middle of the page on March 29, 1955 that \$50,000 was loaned by the Bank of Commonwealth to Lower and was endorsed by myself as the cosigner of the loan.

Mr. KENNEDY. That is correct.

Mr. HOFFA. Then, if you will look over on July 29, 1957, you will find \$25,000 loaned, obtained from the Bank of Commonwealth by Henry Lower Associates, Inc., which was part of Sun Valley. A mortgage note was endorsed by Henry Lower and James R. Hoffa. So actually the option that I had was accountable for by me countersigning \$75,000 worth of notes that if Lower didn't make good, I had to make good. That is actually what happened to the situation.

Mr. KENNEDY. I think you proved it even beyond what I said. You not only had a financial interest in Sun Valley, but you had gone on certain notes that it was important that this land scheme be successful.

Mr. HOFFA. The best evidence is I didn't receive any money from Sun Valley at any time insofar as the repayment—in repayment of my option. I have not exercised the option.

The CHAIRMAN. Mr. Hoffa, was this a joint venture between you and Mr. Lower?

Mr. HOFFA. No. I was not responsible and had no part of Sun Valley. I simply had an option to buy.

Senator IVES. Mr. Chairman, I would like to have Mr. Hoffa clear something up which he did not quite clear up.

I think you said, Mr. Hoffa, that you had approximately 100 members of the union that bought lots?

Mr. HOFFA. I said, Senator, a minimum of 100 and over. I don't think 100, but over.

Senator IVES. 200?

Mr. HOFFA. I would think it very easily could be 200.

Senator IVES. 300?

Mr. HOFFA. I would think it could easily be up to 400.

Senator IVES. Was it 400?

Mr. HOFFA. I believe at one time there was a figure published, and I don't have it, but it seems to me vaguely there was a figure of 400 lots sold to our members.

Senator IVES. You are sure of it, but you are not able to swear to it?

Mr. HOFFA. That is right.

Senator IVES. 400 lots, and you said they cost \$150 apiece to your members?

Senator IVES. That is \$60,000. I am curious to know why you went through all of this financial operation for that particular purpose. I take it this was not exclusively to buy lots for your members, was it?

Mr. HOFFA. It was originally started out, Senator, for the members of Teamsters.

Senator IVES. You could not possibly, with that kind of an expenditure, hope to make anything of it yourselves if that is all there was to it.

Mr. HOFFA. That is not correct, the way I understand.

Senator IVES. I am just relaying on what you said. That is all.

Mr. HOFFA. But if a sufficient number of Teamsters bought lots and developed the city, then there would be the commercial property that would be set aside which would make the profit for the developers, not necessarily any profit out of the lots.

Senator IVES. On that basis, you would have to sell 2,000 lots in order to get your original \$300,000 back.

Mr. HOFFA. Very easily.

Senator IVES. And that \$300,000, that original amount, as I understand, was for the purpose of developing the whole area there?

Mr. HOFFA. That is what it was supposed to be for, as I understood.

Senator IVES. That is as I understand it. I would think you would have known more about the wishes of your members before you undertook anything as vast as this. Originally, you told me 100 or better and now you have it up to 400, maybe. But 400, I want to remind you again, if you sold them all at \$150 apiece, amounts to only \$60,000.

Mr. HOFFA. Senator, there wasn't any secret about Sun Valley, because there was a film made of Sun Valley and it was shown at union meetings to the members who came to the meetings, and there was literature passed out to the members. It was on TV for several weeks in Detroit. So it wasn't something that was hid from the members. They were all aware of it. They all knew about it, because the TV program and because of the picture that was shown to membership meetings, so that they would be able to have the benefit of purchasing these lots.

Senator IVES. Was your interest in this whole matter known?

Mr. HOFFA. My interest in it?

Senator IVES. Yes, your personal interest in it?

Mr. HOFFA. I did not announce that I had an option, so I would say no, but I believe—

Senator IVES. Well, let us suppose it had been.

Mr. HOFFA. Wait a minute. I would have told them. What is the difference?

Senator IVES. Of course you would, and it would not have made a bit of difference, would it?

Mr. HOFFA. Not a bit of difference. As a matter of fact, they know about it now, for almost 18 months.

Senator IVES. I still don't understand this wild scheme of financing that produced what you produced here.

Senator CHURCH. Do you still have this option, Mr. Hoffa? Do you still have the right to exercise it?

Mr. HOFFA. Yes.

Senator CHURCH. And that option, as I understand it, pertains to 45 percent ownership if exercised?

Mr. HOFFA. Yes, sir.

(At this point Senator McClellan withdrew from the hearing room.)

Mr. KENNEDY. I would like to get the documents in—

Mr. BELLINO. The deposit of—

Mr. HOFFA. Pardon me. I didn't catch it, but there seems to be a question. So that the record is clear, there isn't any union money in this property.

Senator IVES. No, I gathered there isn't. You had a very fancy way of financing it. You took union money to deposit in the bank. It is perfectly clear what happened here on the face of it. You deposited it in the bank so that the bank, in turn, would turn around and loan this money to Lower.

Mr. HOFFA. Without affecting the interest of the Teamster Union money, with no possibility of losing any money of the Teamsters Union.

Senator IVES. Well, they were not getting any interest on it.

Mr. HOFFA. Except they had the benefit of purchasing the lots at the reduced rate.

Senator IVES. Those who were able to, but how many teamsters were eligible?

Mr. HOFFA. I think they only paid \$5 a month payment.

Senator IVES. That has nothing to do with it.

Mr. HOFFA. There were about 80,000 people who could, if they wanted to, purchase lots. Certainly out of the 80,000 people, with the right promotion, you can sell 2,000 lots.

Senator IVES. I don't think you had the right promotion, because I do not think you sold 2,000 lots.

Mr. HOFFA. I think you are right.

Senator IVES. I am curious to know what became of all of this. Can you tell us?

(At this point Senator McClellan entered the hearing room.)

Mr. KENNEDY. We can tell you.

Mr. HOFFA. I will tell you what happened to this. Because of this committee it is almost on the rocks.

Senator IVES. What?

Mr. HOFFA. Because of this committee publicity, it is almost on the rocks.

MR. KENNEDY. What is the financial status of the operation?

MR. BELLINO. The present status? It is in bankruptcy at the present time. However, the bank expects to be able to recover all of its money from the sale of any property, when and if ordered.

SENATOR IVES. When did it go into bankruptcy?

MR. HOFFA. It isn't in bankruptcy court. There is to be a hearing on it.

SENATOR IVES. When did it get there?

MR. HOFFA. I think about 3 months ago.

MR. KENNEDY. Mr. Bellino, you say it has gone into bankruptcy court?

MR. BELLINO. A petition for reorganization under chapter 10 of the Bankruptcy Act.

MR. KENNEDY. What has been the reason that it went into bankruptcy court, and what has happened to the money that was put into this project?

MR. BELLINO. One of the main reasons was that the money which they borrowed from the Florida National Bank for use on that development was diverted to other projects in Detroit, Mich.

MR. KENNEDY. And to Henry Lower personally?

MR. BELLINO. Henry Lower and associates, and possibly Mr. Hoffa might tell us whether he is part of this associates.

SENATOR IVES. It was diverted, and we would like to know that, too.

MR. BELLINO. Diverted to a golf range, and two igloos.

THE CHAIRMAN. What is that?

MR. BELLINO. Or drive-in ice cream stands, and they were intending to put up, I think a \$15 million project, an office building, and a little city in itself, but which the zoning authorities did not approve.

MR. KENNEDY. How much was diverted that we can show? For instance out of the \$500,000 that the Florida bank loaned on this scheme, how much actually went into the development of the lots?

MR. BELLINO. Out of the \$500,000, I might say first out of the \$300,000, there was around \$50,000-some-odd that went into the lots, and the balance of \$200,000 went up to the banks in Detroit and was used principally on the Detroit projects.

MR. KENNEDY. They had other projects going, Henry Lower and associates?

MR. BELLINO. That is right.

MR. KENNEDY. That is why it is so important to see this option and we would like to see if Mr. Hoffa had an interest in Henry Lower Associates.

MR. HOFFA. The answer is "No."

SENATOR IVES. I want to ask Mr. Hoffa, right here, exactly how the committee caused you to do all of this? You say we are responsible for the failure of that business down in Florida. We are not the cause of this business failing. We had nothing to do with it.

MR. HOFFA. The publicity originating out of this committee in my opinion was what caused a loan that normally would have been a good loan and a good investment, to become a bad loan and a bad investment, because the newspapers in Florida—

SENATOR IVES. When did you divert this money to Detroit or thereabouts?

MR. HOFFA. What money?

Senator IVES. This loan money.

Mr. HOFFA. Who did?

Senator IVES. I suppose you did.

Mr. HOFFA. I did not.

Senator IVES. Well, Mr. Lower then, or whoever got it, and you were probably connected with it.

Mr. HOFFA. I am not.

Senator IVES. Well, Mr. Lower, did he divert it up there?

Mr. HOFFA. I know nothing about Lower's bookkeeping situation. I have never been in the Sun Valley's office.

Senator IVES. Let us find out.

Mr. HOFFA. I have nothing to do with the Sun Valley Associates.

Senator IVES. Let us call it a development, and I think we will understand it then.

The CHAIRMAN. Let us develop the diversion here for a moment, and see if we can do that.

Mr. KENNEDY. Can we go through it from the beginning, Mr. Chairman, as to how this operated?

The CHAIRMAN. Mr. Bellino, can you tell us?

Mr. KENNEDY. So we can finish the other subject of the \$500,000, how much was supposed to go into the development of the lots? How much actually went into the development of the lots? Can you tell approximately?

Mr. BELLINO. Approximately around \$50,000 of the first \$500,000 that came out of the Florida bank——

Mr. KENNEDY. The first \$300,000?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. How much of the second \$200,000?

Mr. BELLINO. Of the second \$200,000 the money went immediately up to Detroit, and there may have been some money, possibly an additional \$50,000 that was spent on the Sun Valley, but I am not positive on that.

The CHAIRMAN. Now, you are saying that approximately \$400,000 of this \$500,000 was diverted from Sun Valley up to projects in Detroit?

Mr. BELLINO. I would say from \$250,000 to \$300,000 has been diverted.

The CHAIRMAN. In other words, from half of it to three-fifths of it?

Mr. BELLINO. It has been diverted or it is on deposit in banks in Detroit rather than in Florida.

Mr. KENNEDY. Diverted from the Florida lots?

Mr. BELLINO. That is right.

Senator IVES. Is it drawing any interest in those banks?

Mr. BELLINO. No; it is in checking accounts in Detroit.

The CHAIRMAN. Was this diversion made before this committee started investigating?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. Now, go ahead.

Mr. KENNEDY. And Mr. Bellino, isn't it a fact that the money was supposed to have been used for the development of roads, streets, and other kinds of developments of that kind?

Mr. BELLINO. A water plant and so on.

Mr. KENNEDY. And it was not used for that purpose?

Mr. BELLINO. They had some streets.

Mr. KENNEDY. But this money was not used all for that purpose, as it was supposed to have been?

Mr. BELLINO. They built six houses, that is all.

Mr. KENNEDY. The money was not used for the purpose it was supposed to have been used, but it was diverted up to Detroit.

Mr. BELLINO. On other projects.

Mr. KENNEDY. And isn't that the reason that this finally failed?

Mr. BELLINO. That is what made it very difficult.

Mr. KENNEDY. Is it not the fact of our activities. All we did was give publicity to the fact that it was a fraud.

Mr. HOFFA. You gave publicity to the fact that Sun Valley borrowed the money from the bank, and the publicity that came out of the newspapers, it effected the sale of lots, and the net result was in addition to this, that you have just said here, which I had no part of, it became a problem of being able to pay the notes and continue developing the property.

I maintained that if it wasn't for the bad publicity that Sun Valley got, which originated out of the investigation here, they would have been able to sell sufficient lots in addition to the ones they had already sold to maintain the project and pay back the money they borrowed.

Mr. KENNEDY. What it was, Mr. Hoffa, as the lots were being sold, it was a fraud to people buying them, because Mr. Lower was telling the people that these lots were developed.

We gave publicity to the fact that these lots were not developed, and they hadn't built the roads and the sewer pipes and the waterways. That is the reason. The fact that this was going on, that this money had been diverted up to Detroit, was developed in a Detroit paper back as far as October of 1956, the fact that Henry Lower was doing this.

Mr. HOFFA. But that situation was corrected when that appeared in the paper. It was corrected and one of the agencies of Government, I don't know which it is, finally cleared the selling of the lots after Lower had complied with certain requirements of law.

Mr. KENNEDY. Could you go through and show the involvement in this matter?

Mr. BELLINO. Could I first read the part of the affidavit that referred to the money deposited in the bank?

We were assured by Mr. Lower in the presence of Mr. McCarthy—

Mr. McCarthy is the branch manager of the Bank of the Commonwealth, which is located near the Teamster Building in Detroit—

that a Teamsters' account would be established at our bank with balances equal to or in excess of any loans granted to Sun Valley, Inc., by us. We were assured, also, that these balances would be maintained with our bank during the life of any loans. These promises have been complied with to date.

Senator CHURCH. What is the outstanding balance of the loans still owing the bank?

Mr. BELLINO. I believe the last figure that I saw was somewhere around \$366,000.

Senator CHURCH. In other words, the amount of money still owing the bank on this loan is less than the amount of money remaining on deposit?

Mr. BELLINO. I believe so; yes, sir.

Mr. HOFFA. Which again is a proof.

Senator CHURCH. That this affidavit has been complied with.

Mr. BELLINO. On August 17, 1954, local 299 issued a check to local 985 in the amount of \$10,000. We have a copy of the check here. Local 985 in turn issued a check No. 1180 for \$10,000 to Henry Lower, and it was charged to loans receivable.

Now the check of local 985 is not available. We have not been able to locate it.

The CHAIRMAN. You mean here a local issued a check to another local and that local issued a check to Lower?

Mr. BELLINO. Yes, sir. Mr. Hoffa's local, No. 299, first issued the \$10,000 check to Mr. William Bufalino's local, No. 985, and then Bufalino's local in turn issued a check to Henry Lower as a loan, and a notation of that appeared in their minutes of October 11, 1954. Those are the minutes of local 985, reflecting that the \$10,000 borrowed from local 299 was then in turn loaned to Brother Henry Lower.

The CHAIRMAN. Was it loaned on the same date? According to the memorandum I have here, it appears that the same day the check was issued on local 299, local 985 issued the check to Lower.

Mr. BELLINO. Yes, sir; it was on the same day. The loan went from one to the other.

The CHAIRMAN. All right, proceed.

Mr. BELLINO. On October 22, 1954, the records of Sun Valley reflect that certificate No. 1 for one share of Sun Valley stock was issued to Henry Lower for \$200, and the same date, No. 2 was issued to Earl G. Kehoe, and No. 3 for one share was issued to George S. Fitzgerald.

On November 5, 1954, Mr. Troy M. Deal, the owner of the property at Titusville, Fla., received \$6,000 earnest money on the property which cost \$150,000.

On November 15, 1954, the stock certificates of Earl Kehoe and George Fitzgerald, Nos. 2 and 3, were canceled and stock certificate No. 4 for two shares was issued to Henry Lower.

On March 29, 1955, Sun Valley obtained a loan from the Bank of the Commonwealth, which loan was endorsed by James R. Hoffa.

Mr. KENNEDY. Do you have a document in connection with that?

Mr. BELLINO. This document which is an application for a loan dated March 21, 1955, reflects the loan at the rate of 4 percent, to Sun Valley, Inc., located at 2741 Trumble Street, which is the address of the Teamsters Building in Detroit, and the business is subdivision for Teamsters Union members in Florida, and the time for 30 days, and interest accounts are all Teamsters Union accounts.

They specify the numbers and the balances in each account at that time, and in this particular case they listed just three accounts, one with a balance of some \$234,000, and another one with a balance of \$263,000, and a third one with a balance of \$86,000.

There is a notation:

These are only a few of the accounts at Myrtle 14th Street Branch. There are deposits of over \$1 million at this branch alone, plus other branches at main office accounts.

Then it lists the name of Sun Valley showing there is nothing on their books, and they had not borrowed anything, and the names of James R. Hoffa, as "nothing on our books," with a further notation:

About a year or so ago, we lost a Teamsters account of \$800,000 to the City Bank through some misunderstanding. We are trying to get this account back,

and a welfare account at the National Bank of Detroit which runs over \$1 million. If we cannot take care of them, they propose going to the City Bank and no doubt we will lose more accounts.

The CHAIRMAN. In other words, they were using the wealth of the Teamster local, its finances, to induce banks to loan money for these individual projects?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. That document may be made exhibit 194.

(The document referred to was marked "Exhibit No. 194" for reference and may be found in the files of the select committee.)

Mr. BELLINO. There is a handwritten notation by Mr. Parcel, the president of the bank, in which he noted it was a "good policy loan."

The CHAIRMAN. A good policy loan?

Mr. BELLINO. It was good policy for their bank to make this loan.

Mr. KENNEDY. That is the loan that Mr. Hoffa spoke about earlier.

Mr. BELLINO. Yes, sir, that is the \$50,000 loan, and on their ledger account they list the name of Mr. Hoffa as endorser on that \$50,000 loan.

Do you want the ledger account made a part of that, too, Senator?

The CHAIRMAN. The ledger account may be made exhibit No. 194-A.

(The document referred to was marked "Exhibit No. 194-A" for reference and may be found in the files of the select committee.)

Mr. BELLINO. In that connection also, we have a copy of a renewed note, when the balance of the note was down to \$17,500. It is the original \$5,000 note which is signed by Henry Lower, showing the address of 2741 Trumbull Street, and the endorsement on the back of James R. Hoffa.

The CHAIRMAN. That may be made exhibit 149-B.

(Document referred to was marked "Exhibit No. 194-B" for reference and may be found in the files of the select committee.)

Mr. BELLINO. On April 6, 1955, Sun Valley issued their check for \$39,000, which went to pay for part of the land from Troy M. Deal.

On April 9, 1955, Mr. McCarthy, from the branch bank of the Bank of the Commonwealth, made a trip to Florida, and at that time the Sun Valley account was opened at the Florida National Bank, with a \$500 deposit.

On July 26, Sun Valley, Inc., was qualified to do business in the State of Michigan.

That may be pertinent inasmuch as here was a Florida development for allegedly Teamster members, and they are now going to do business in Michigan and possibly that would be in connection with the sale of lots, and they probably would have to do that, but it also provided a means to go into any other ventures there.

On September 26, 1955, local 299 issued its check, No. 10696, which was charged to "Loans receivable," to local 376.

The CHAIRMAN. What happened?

Mr. BELLINO. That was for \$10,000.

The CHAIRMAN. That check, is this a check that you are speaking of?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. That check may be made exhibit 194-C.

(Document referred to was marked "Exhibit No. 194-C" and will be found in the appendix on p. 15357.)

The CHAIRMAN. We will try to keep this transaction together as much as we can.

Mr. BELLINO. Local 376 then issued its check No. 813, charged to organization expense, and payable to Henry Lower in the amount of \$10,000.

The CHAIRMAN. Now then, was that money charged, \$10,000, or given to Lower there out of union funds as organizational expenses?

Mr. BELLINO. That is the charge made on the books; yes.

The CHAIRMAN. It wasn't charged as a loan?

Mr. BELLINO. No, sir.

The CHAIRMAN. But it was coming out of union funds?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. To promote this project?

Mr. BELLINO. That is right.

The CHAIRMAN. All right, that check may be made exhibit No. 194-D.

(The check referred to was marked "Exhibit No. 194-D" for reference and will be found in the appendix on p. 15358.)

Mr. BELLINO. On November 17, 1955, local 299 and local 337, Mr. Hoffa's local and Mr. Brennan's local, each issued a check for \$6,800, payable to joint council 43, and on the same day joint council No. 43 issued its check for \$13,600 to Henry Lower.

The CHAIRMAN. Those checks may be made exhibits 194-E and F. (The checks referred to were marked "Exhibits 194-E and 194-F," for reference and will be found in the appendix on pp. 15359-15360.)

Mr. BELLINO. On December 5, 1955, there was a \$5,000 curtailment on the \$50,000 loan at the Commonwealth Bank, or I should say the agreement on the \$50,000 loan called for a curtailment of \$5,000 a month. However, on December 5, 1955, the president agreed that the curtailment should be reduced to \$2,500 a month.

On June 18, 1956, at a Sun Valley board of directors meeting mention was made of negotiations to borrow \$300,000 from the Florida National Bank at Orlando for 3 years at 5 percent.

On June 19, 1956, check No. 2063 was issued to the Florida National Bank for \$300,000, and the account opened in that bank on June 20, 1956.

The CHAIRMAN. That check has already been made an exhibit.

Mr. BELLINO. On June 20, the same day as deposit was made, the Florida National Bank loaned Sun Valley, Inc., \$300,000. And at the same time, a cashier's check in the amount of \$50,000 was sent to the Bank of the Commonwealth at Detroit and deposited in the Sun Valley account in that bank.

On June 22, 1956, local 376 received from Sun Valley Inc., drawn on the Florida National Bank, a check in the amount of \$22,422.

The CHAIRMAN. Do you have that check?

Mr. BELLINO. No, sir; we are unable to get that check.

On the same date, local 376 issued their check No. 1279 to local 299 for \$22,422.

The CHAIRMAN. What was the purpose of these checks?

Mr. BELLINO. This is eventually going to local 299. 299 advanced various expenses on behalf of local 376. This is where they are being repaid. I believe some of the expenses were in connection with Sun Valley development that were being repaid by these unions and the Sun Valley now is repaying them.

The CHAIRMAN. All right.

Mr. KENNEDY. Of course their books are so confused, there is no way of telling, is there?

Mr. BELLINO. That is correct.

The CHAIRMAN. They suddenly repay \$22,422, and there is no way of telling where that figure came from?

Mr. BELLINO. Well, they made a journal entry, but we don't have all the bills, and we can't support all the items. But it looks to us like it should be a whole lot more than \$22,000.

The CHAIRMAN. Mr. Bellino, was Henry Lower on the payroll during this period of time?

Mr. BELLINO. He was on the payroll of local 299 for quite a period of time.

The CHAIRMAN. How much was he getting?

Mr. BELLINO. From local 299, from March 12, 1954, for the balance of that year he received \$10,800.

I am sorry. It is \$8,100 in 1954; \$10,800 in 1955; and \$5,200 in 1956. That went up to about July 1, 1956, at which time he went on the salary of Sun Valley, Inc., and for the balance of that year he got \$8,250. In other words, he was on the union salary all through the period of from March 12, 1954, through about July 1956.

Senator IVES. I would like to ask Mr. Bellino a question, Mr. Chairman.

The CHAIRMAN. Senator Ives.

Senator IVES. This is a quick question.

Do you, Mr. Bellino, think that these people who were involved in these various transactions have themselves any idea as to how they stand financially in these deals or this deal?

Mr. BELLINO. The purchasers of the lots, Senator?

Senator IVES. The ultimate purchasers of the lots may know. I am talking about these various transactions you are naming.

Mr. BELLINO. No, sir; I don't know how they could. In many of these cases, the name Henry Lower does not appear. We have a book from one of the locals that back there the money went to either Henry Lower or local 299 and it doesn't show his name in the book at all, nor does the stub of the checkbook show.

Senator IVES. I take it that solvency, then, means nothing to them at all.

Mr. BELLINO. Well, we have heard Mr. Hoffa's statement on that.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Did he receive expenses as well as that money that he got from them?

Mr. BELLINO. Yes. He not only received expenses, but he also received personal loans himself.

Mr. KENNEDY. Can you tell us the total figure of what he received in salary?

Mr. BELLINO. The total salaries for a 3-year period from 1954 to 1956, \$30,550: expenses as officer and delegate's expense allowance—that is a term they use in the Teamster's records—he received \$5,422; organizational expenses, \$4,489; travel expenses, \$6,748, and I am now rounding out the figures—personal advances or loans during this period, \$170,371.96.

Mr. KENNEDY. From the Teamsters Union?

Mr. BELLINO. From the Teamsters and Sun Valley both.

Mr. KENNEDY. Can you break that down?

Mr. BELLINO. The Sun Valley on personal advances, \$123,000 included in that \$170,000 figure.

Mr. KENNEDY. How much from the Teamsters?

Mr. BELLINO. About \$47,000 from the Teamsters. Repayment of loans is \$15,100. That was at Sun Valley. Advertising, \$385. He received some money to buy automobiles, \$6,586.

Mr. KENNEDY. Was this all from the Teamsters? We better separate what is from the Teamsters and what is not.

Mr. BELLINO. Of the total sum during this period that Henry Lower received, 1954, 1955, and 1956, there is a total of \$257,000 that he received, and of that amount, \$139,000 came from Sun Valley and the balance is from the Teamsters, about \$120,000, approximately.

Mr. KENNEDY. This is for most of the time he was developing or interested in Sun Valley?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. He received during that period—you say that period—is that for the year 1954, the year 1955, and the year 1956, all of the years, up to what time?

Mr. BELLINO. Starting March 12, 1954.

The CHAIRMAN. Beginning March 12, 1954?

Mr. BELLINO. And all of the year 1955 and all of the year 1956.

The CHAIRMAN. In other words, for a period of 2 years and 9 months, in round numbers, he received \$118,000 from the union?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. And during that same period of time, he received \$139,000 from Sun Valley?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. Either for salary, expenses or loans?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. I believe we have already had in the record that he had made Mr. Hoffa a loan, did he not?

Mr. BELLINO. I believe these was a \$25,000 cash loan which Henry Lower made to Mr. Hoffa.

The CHAIRMAN. During this period of time?

Mr. BELLINO. Yes, sir; that is included in the loan because it doesn't show on the records to other than to Henry Lower.

Mr. KENNEDY. And in which there is no note?

Mr. BELLINO. That is right.

Mr. KENNEDY. Just \$25,000 in cash?

Mr. BELLINO. Yes, sir; but there is no way for us to know. There is no record of it. It could be more than \$25,000, but that is all we have been told about.

Mr. KENNEDY. When we were talking with Mr. Lower about this, he said he placed it in a brown paper bag?

Mr. BELLINO. That is right, he had the cash put in a brown paper bag.

The CHAIRMAN. Who did that?

Mr. BELLINO. Henry Lower.

Mr. KENNEDY. When we interviewed Mr. Henry Lower, Mr. Chairman, he said he put the \$25,000 in cash in a brown paper bag and delivered it to Mr. Hoffa in that fashion. Mr. Lower is alive, and we have been trying to get him for about 14 months. We subpoenaed

him. He keeps coming up with doctor certificates. Then we subpoenaed his wife because she had an interest in this, and now she has a doctor's certificate.

The CHAIRMAN. Where do they live?

Mr. BELLINO. Detroit. And also Mr. McCarthy, of the bank, from whom we hoped to get an affidavit or to have here, he has been evading our representatives up in Detroit.

Senator IVES. What is his title in the bank?

Mr. BELLINO. Well, he is out of the Bank of Commonwealth now. He is in the new bank, the public bank.

Senator IVES. He is a bank official still, is he not?

Mr. BELLINO. Yes, sir.

Senator IVES. What is his title in the bank?

Mr. BELLINO. He was branch manager. I presume he would go over at the same status or about the same status, at least.

Senator IVES. Do you mean a bank official in Detroit is evading a subpoena?

Mr. BELLINO. He has given us a sworn affidavit and our men have been parked at his home from early this morning and late last night and we haven't been able to reach him.

Senator IVES. Do the banking officials of the State of Michigan know this?

Mr. BELLINO. The bank president knows this.

Senator IVES. I am not talking about the bank president, but the superintendent of banking or the banking commissioner, whoever he is, does he know it?

Mr. BELLINO. He will know it now, sir.

The CHAIRMAN. All right.

Mr. BELLINO. Continuing: On June 22, 1956, Sun Valley issued their check in the amount of \$13,900 to joint council 43 and noted it on the books as refund, advance on advertising.

I might say this, that the most we could find coming from joint council 43 is \$13,600. We don't know where the other comes in.

On the same day, joint council 43 issued its check to local 299 for \$6,800, and recorded it as miscellaneous expenses. Similarly, joint council issued its check to local 337 for \$6,800. Sun Valley withdrew from the Florida National Bank \$175,000 and opened an account in its name in the National Bank in Detroit.

The CHAIRMAN. Do you mean \$175,000 out of this money they borrowed from them?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. They drew that much cash out and put it in a bank in Detroit?

Mr. BELLINO. Yes, sir. On July 23, 1956, \$25,000 was withdrawn from Sun Valley, Inc., account in the National Bank of Detroit and deposited in the account of Henry Lower in the same bank. On the same day a \$25,000 check was issued by Henry Lower to H. N. Seldon Co., real estate agents. Seldon, in turn, issued their check to Crowley-Miller Co. as deposit for property located at Myers Road and Six Mile Road, Detroit, and on which property they were going to construct this \$15 million project.

On August 10, 1956, Henry Lower placed a \$2,000 deposit on land owned by Loyola Estates. On September 20, 1956, they paid \$7,500 for land owned by one Mary Held, in Detroit.

The CHAIRMAN. Was that paid out of this money that they had borrowed in Florida?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. They are spending the money up there buying property?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. Proceed.

Mr. BELLINO. Henry Lower then purchased other property from the Loyola Estates at a cost of \$62,500. On November 13, 1956, local 299—well, I believe we have covered these two \$100,000 checks which went to Florida.

The CHAIRMAN. They have been made exhibits.

Mr. BELLINO. Then they obtained the \$200,000 loan from the Florida National Bank. I might say that that \$200,000 was deposited on November 17, 1956, and the loan by the bank was made on November 20, 1956.

Mr. KENNEDY. Three days later.

Mr. BELLINO. Right.

On November 21, the Florida National Bank issued its cashier's check for \$200,000 to Sun Valley, Inc., which was deposited in the latter's account in the Bank of the Commonwealth of Detroit.

The CHAIRMAN. Do you mean they took out all of that money?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. Immediately?

Mr. BELLINO. Yes, sir, and it went up to the Bank of the Commonwealth in Detroit.

The CHAIRMAN. Transferred it away from that bank up to Detroit?

Mr. BELLINO. Yes, sir.

At the same time, Sun Valley, Inc., had applied for a \$500,000 loan from the Florida National Bank, and at that time, Henry Lower gave a verbal pledge that a million dollar account in the name of local 299 welfare fund would remain with the bank for the duration of the line of credit. However, the bank in Florida did not recommend that \$500,000 loan.

The CHAIRMAN. Do you mean that he sought another \$500,000 loan?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. And was going to have \$1 million of welfare funds out of 299 placed down there?

Mr. BELLINO. Well, he said out of 299, but it would have come out of the Michigan Conference of Teamsters welfare fund to have been placed down there, but the bank did not go along on this loan.

The CHAIRMAN. They did not go along on the second \$500,000?

Mr. BELLINO. That is right.

The CHAIRMAN. But an application was filed?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. Do you have a copy of the application?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. That application may be made exhibit 194-G.

(The application referred to was marked "Exhibit 194-G," for reference. And may be found in the files of the select committee.)

Mr. BELLINO. On November 26, Sun Valley, Inc., issued its \$200,000 check against the funds in the Bank of the Commonwealth and deposited it in the National Bank of Detroit.

The CHAIRMAN. Do you have that check?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. That will be marked exhibit 194-H.

(The check referred to was marked "Exhibit 194-H" for reference and will be found in the appendix on p. 15361.)

Mr. BELLINO. On December 11, 1956, 299 withdrew \$100,000 from its accounts in the Florida National Bank and deposited it in the City Bank.

On December 15, 1956, we have an affidavit from Mr. Charles Valentine, indicating that on that date Mr. Hoffa and he and Lower and a Mr. Boigan made a trip to Sun Valley. Do you want that affidavit, Senator?

The CHAIRMAN. That affidavit may be marked exhibit 195.

(The affidavit referred to was marked "Exhibit 195" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. What was the date that they made the trip?

Mr. BELLINO. December 15, 1956.

Mr. KENNEDY. That would have been after these loans had been made from the Florida bank and after, at least, it was know to certain Detroit papers and Florida papers that the money had not been used for the promotion of the property, to improve the property, is that correct?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. Because at that time the various improvements that were supposed to have been made had not been made, is that correct?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. And Mr. Hoffa went down there at that time?

Mr. BELLINO. Yes, sir.

On July 29, 1957, which wasn't very long prior to our hearings of last year, another \$25,000 loan was obtained by Henry Lower Associates. It was a mortgage note. That note was endorsed by Henry Lower and James R. Hoffa. And we have a copy of that also, Senator.

The CHAIRMAN. That may be made exhibit 196.

(Copy of the note referred to was marked "Exhibit 196" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. Was there any discussion about the Teamsters in that loan? Is that similar to the other situation?

Mr. BELLINO. Yes, sir; the same. On this application—

The CHAIRMAN. Is that the application for the \$25,000 loan?

Mr. BELLINO. Yes sir. There is a handwritten notation, "Teamsters Union, Hoffa, have over \$1 million on deposit."

Mr. BELLINO. They attach to it a list of the Teamster bank accounts showing the balances of over \$1 million in that bank at that time, and the mortgage note bears the endorsement of James R. Hoffa.

The CHAIRMAN. The committee will stand in recess until 10:30 in the morning.

(Whereupon, at 5:10 p.m., the hearing was recessed with the following members present: Senators McClellan, Ives, and Church, to reconvene at 10:30 a.m. Thursday, September 18, 1958.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

THURSDAY, SEPTEMBER 18, 1958

UNITED STATES SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D.C.

The select committee met at 10:30 a. m., pursuant to recess, in the caucus room, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator Frank Church, Democrat, Idaho; Senator Irving M. Ives, Republican, New York.

Also present: Robert F. Kennedy, chief counsel; Paul Tierney, assistant counsel; John J. McGovern, assistant counsel; Carmine S. Bellino, accountant; Pierre E. Salinger, investigator; Leo C. Nulty, investigator; James P. Kelly, investigator; James Mundie, investigator; John Flanagan, investigator, GAO; Alfred Vitarelli, investigator, GAO; Ruth Y. Watt, chief clerk.

The CHAIRMAN. The committee will be in order. We will proceed.

TESTIMONY OF JAMES R. HOFFA, ACCOMPANIED BY COUNSEL, EDWARD BENNETT WILLIAMS, GEORGE FITZGERALD, AND DAVID PREVIANT—Resumed

Mr. KENNEDY. Mr. Hoffa, you know Mr. Lew Farrell?

Mr. HOFFA. Yes, sir.

Mr. KENNEDY. How long have you known him?

Mr. HOFFA. I would imagine 3 to 5 years.

Mr. KENNEDY. Where did you meet him first?

Mr. HOFFA. I believe Des Moines, Iowa.

Mr. KENNEDY. Who introduced you?

Mr. HOFFA. I believe I was down with Dick Kayner in Des Moines, and I think there was a dispute with the beer distributors at that time in Des Moines. Also I was there to attend the council meeting.

Mr. KENNEDY. Was he representing the beer distributors?

Mr. HOFFA. I believe he had a beer distributorship and he was on the negotiating committee, and I think it was Canadian Ace, if I am not mistaken.

Mr. KENNEDY. Did he speak to you since you have met him regarding any companies that he represented?

Mr. HOFFA. I don't think he represented anybody except his own company.

Mr. KENNEDY. Since that time, has he represented any employers?

Mr. HOFFA. Not to me; no.

Mr. KENNEDY. You do not know of any other employers?

Mr. HOFFA. I have had no business with Lew Farrell with any outside companies.

Mr. KENNEDY. Did you have any business with him of any kind?

Mr. HOFFA. No.

Mr. KENNEDY. Any financial transactions of any kind?

Mr. HOFFA. No.

Mr. KENNEDY. It has just been a personal friendship?

Mr. HOFFA. No; not a personal friendship. It is an acquaintance, as an employer.

Mr. KENNEDY. Have you had any dealings with him since that time, regarding the company that he represents?

Mr. HOFFA. I think he went out of business very shortly thereafter.

Mr. KENNEDY. Well, then, have you had any dealings with him of any kind?

Mr. HOFFA. Not in regard to labor relations other than to see him and say hello to him.

Mr. KENNEDY. So it was just a personal acquaintance?

Mr. HOFFA. It wasn't a personal acquaintance.

Mr. KENNEDY. Have you seen him since then?

Mr. HOFFA. I have seen him since then.

Mr. KENNEDY. In what connection have you seen him since then?

Mr. HOFFA. He would be in Chicago, or be at the fights, and I saw him here.

Mr. KENNEDY. Does he call you?

Mr. HOFFA. Occasionally; yes.

Mr. KENNEDY. What are those conversations about?

Mr. HOFFA. "How are you?" and "What's new?"

Mr. KENNEDY. That is all?

Mr. HOFFA. Various conversations, to pass the time of day.

Mr. KENNEDY. You call him?

Mr. HOFFA. That is right.

Mr. KENNEDY. What do you call him about?

Mr. HOFFA. About the question of what is going on in Iowa, and the situation.

Mr. KENNEDY. Why do you call him to find that out?

Mr. HOFFA. I think he is quite well acquainted with the problems of knowing what happens in Iowa.

Mr. KENNEDY. For what reason?

Mr. HOFFA. General.

Mr. KENNEDY. You don't call him about any particular company or any particular employer?

Mr. HOFFA. He doesn't represent anybody.

Mr. KENNEDY. And he doesn't call you about any company?

Mr. HOFFA. He doesn't represent anybody.

Mr. KENNEDY. He just calls to pass the time of day?

Mr. HOFFA. And discuss friends that we have, mutual friends.

Mr. KENNEDY. Are you the trustee of local 10 in Omaha, Nebr.?

Mr. HOFFA. I believe I am; yes.

Mr. KENNEDY. Are you familiar with the contract that they signed with the Midwest Burlap & Bag Co.?

Mr. HOFFA. I was familiar at the time of the signing.

Mr. KENNEDY. Excuse me.

Mr. HOFFA. I was familiar only after it was signed, and it was brought to my attention that there was a jurisdiction question, and I believe it came out of the international office, and they asked me to adjust it. When I got into the jurisdictional question, I instructed Kavner to keep the drivers and I believe the shipping and receiving and the warehousing and to turn the balance of the people over, I believe, to the Garment Workers or somebody of that nature. There was some other international union.

Mr. KENNEDY. What were the circumstances surrounding the signing of the contract?

Mr. HOFFA. Kavner told me he had a majority of the people, at the time the contract was signed; after going into it, I decided that the membership should go into the other international union, and I instructed Kavner to transfer the people, and I guess he did transfer the people.

Mr. KENNEDY. What about the fact that the Textile Workers Union, which was the other union, had applied for representation in December of 1956, the Textile Workers, and the company then immediately signed a contract with local 10 of Omaha, Nebr., and dated the contract back to September of 1956? What was the explanation for that?

Mr. HOFFA. I don't have any explanation.

Mr. KENNEDY. Mr. Chairman, could I just call Mr. Sheridan to put the full facts about this in?

The CHAIRMAN. All right. Come around, Mr. Sheridan.

TESTIMONY OF WALTER SHERIDAN—Resumed

Mr. SHERIDAN. The Midwest Burlap & Bag Co., in Des Moines, Iowa, was under organization on and off by the Textile Workers Union starting back in 1951. In the spring of 1951 according to an affidavit we have from one of the owners of the Burlap Bag Co., he was approached by Mr. Kavner who claimed he represented a majority of his employees. At that time Mr. Pomerantz, one of the partners in the company, said he entered into an oral agreement with Mr. Kavner to sign a contract with the Teamsters Union.

Mr. HOFFA. Who is that?

Mr. KENNEDY. Mr. Pomerantz.

The CHAIRMAN. How do you spell it?

Mr. SHERIDAN. P-o-m-e-r-a-n-t-z.

The CHAIRMAN. Whom did he represent, and what was his position?

Mr. SHERIDAN. He was one of the owners of the Midwest Burlap & Bag Co., of Des Moines, Iowa.

Mr. Kavner was representing Local 10 of the Teamsters Union of Omaha, Nebr., at that time under trusteeship of Mr. Hoffa.

Mr. KENNEDY. There were Teamster locals there, were there not?

Mr. SHERIDAN. There were Teamster locals in Des Moines, Iowa, but this local 10 of Omaha was sent into organize this company.

Mr. KENNEDY. Who assigned them to organize the company?

Mr. SHERIDAN. Presumably Mr. Hoffa.

Mr. KENNEDY. Did you assign them to organize the company, Mr. Hoffa?

Mr. HOFFA. Dick Kayner is an international representative, or rather was a Central States conference representative at that time, and if he received any leads on any new organization anywhere in the central conference, he would have had the right to go in and institute organization and the power to negotiate a contract.

Mr. KENNEDY. Go ahead.

Mr. SHERIDAN. So they entered into this oral agreement according to Mr. Pomerantz and they were going to execute a formal agreement; then they moved the plant in September of 1956.

Now the plant was moved in September of 1956, but the formal agreement was not entered into. On December 21, 1956, a letter was received from the Textile Workers claiming that they represented a majority of the employees. Thereupon negotiations were entered into with the Teamsters Union and in January of 1957 at the time of the NLRB inquiry into the matter a contract was signed with the Teamsters Union and was dated back to September 3, 1956.

Mr. KENNEDY. Now the contract was not signed until January of 1957?

Mr. SHERIDAN. That is correct.

Mr. KENNEDY. But the contract was dated September of 1956?

Mr. SHERIDAN. That is correct.

Mr. KENNEDY. And the Textile Workers in the meantime had been trying to organize the plant and had come in in December of 1956 and told the employer that they had a majority of the employees signed up and wanted to sign a contract.

Mr. SHERIDAN. That is correct.

Mr. KENNEDY. Immediately afterward, the owner of the plant signed a contract with this local from Omaha, Nebr.?

Mr. SHERIDAN. That is correct.

Mr. KENNEDY. This is Des Moines, Iowa, is it?

Mr. SHERIDAN. That is correct.

Now, the contract at the time it was signed was attacked by the AFL-CIO, or the AFL in Omaha as being a backdoor agreement. They challenged the right of local 10 of Omaha to come in and organize the company in Des Moines.

Mr. KENNEDY. Do you have the condemnation by the AFL of this agreement that had been signed?

Mr. SHERIDAN. Yes. This is an article dated February 14, 1957, and the lead on the article is "Condemn Invasion by Local 10 Here."

Mr. HOFFA. Did he say "10 years"? I can't understand what he is saying, sir.

The CHAIRMAN. We are having trouble understanding you. Would you get that mike adjusted so we can hear?

Mr. SHERIDAN. How is this?

The CHAIRMAN. That is better.

Mr. HOFFA. Would you give me the year, please?

The CHAIRMAN. Would you repeat what you said a moment ago, so we can all hear it?

Mr. SHERIDAN. The article says, "Condemn invasion of local 10 here."

Mr. HOFFA. I got it now; yes.

Mr. SHERIDAN. Sam Turk, who was the head of the A. F. of L., in this article condemns the organization by local 10 of Omaha of the Midwest Burlap Bag Co.

Do you want me to read the article?

Mr. KENNEDY. Just read the condemnation.

Mr. SHERIDAN [reading]:

Members of the Polk County Labor Council, AFL-CIO voted unanimously to condemn the action of Teamster Local 10 of Omaha, Neb., in attempting to organize employees of the Midwest Burlap Bag Co. here.

Mr. KENNEDY. You have affidavits from several of the employees?

Mr. SHERIDAN. We have affidavits from several of the employees who were called in by Mr. Pomerantz and asked to sign authorization cards.

The CHAIRMAN. Identify the affidavits. Name the affiants.

Mr. SHERIDAN. This is an affidavit by William Soper, of Chariton, Iowa.

The CHAIRMAN. And the next one?

Mr. SHERIDAN. This is the only one we have.

Mr. KENNEDY. We have several others.

Mr. SHERIDAN. We do have several others.

The CHAIRMAN. That affidavit may be made exhibit 197.

(The affidavit referred to was marked "Exhibit No. 197" for reference and may be found in the files of the select committee.)

The CHAIRMAN. You may read excerpts from it.

Mr. SHERIDAN. This is the affidavit of William Soper.

About the latter part of January or the first part of February 1957, the employees in the plant were called into the office of Marvin Pomerantz, one of the officers of the company. I knew from conversations with other employees that Mr. Pomerantz was asking the employees to join the union. I was called to the office of Marvin Pomerantz, who acted like he was in a hurry. He put some papers down in front of me and said to sign. He said the papers covered joining local 10 of the Teamsters Union, and agreeing to let the company take out \$1 a month for dues.

Although I knew what the papers covered from conversations with other employees, I glanced over them.

Marvin Pomerantz then said, "Stick with me, pal, and you won't get hurt." As I did not have a fight with anyone, I signed.

They deducted dues for 8 or 9 weeks before I quit the plant. During the time of the union activity at the plant, Lew Farrell was around the plant about every day. Sometimes he would stay for only a few minutes and sometimes he would stay for several hours. He would go to the office and then at times would walk around the plant like a big wheel. As far as I know, he did not talk with the employees. I do not know his connection with Midwest Burlap Bag or with the union.

Mr. KENNEDY. Do we have an affidavit also from Mr. Pomerantz?

Mr. SHERIDAN. Yes, sir.

Mr. KENNEDY. And he describes the situation and the signing of the contract?

Mr. SHERIDAN. Yes, sir.

The CHAIRMAN. The affidavit from Mr. Pomerantz may be made exhibit 197-A.

(The affidavit referred to was marked "Exhibit No. 197-A" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. Does he also state in there that he contacted Mr. Lew Farrell in connection with this matter?

Mr. SHERIDAN. Yes; he does.

The CHAIRMAN. Do you want to read some excerpts from it?

Mr. SHERIDAN. Yes. He says:

Some time subsequent to this period in which we had the discussion with Mr. Kavner regarding his attempt to organize the plant, I talked with Mr. Lew Farrell of Des Moines, whom I had known since childhood. I asked Mr. Farrell what he thought of the Teamsters Union and the idea of signing with the union. I asked Mr. Farrell if I could trust the Teamster Union officials who had contacted Midwest to treat us fairly. Mr. Farrell said that he knew Mr. Kavner and the other Teamster Union officials involved and he assured me that we would receive fair treatment.

After this initial conversation I had several conversations on this subject with Mr. Farrell. On one particular occasion he led me to believe he had been in contact with certain union officials whom he did not identify. During this conversation, he again stated that we could be assured that the union officials would abide by their word.

Mr. KENNEDY. Could I have the affidavit?

Mr. SHERIDAN. Yes, sir.

Mr. KENNEDY. Do we find that Mr. Farrell was in touch with a number of the union officials during this pertinent period of time?

Mr. SHERIDAN. Yes; we do, sir.

The CHAIRMAN. What is that period of time, now? Let us see if we can identify that.

Mr. KENNEDY. Starting in the middle of 1956 through the end of 1956, and the first part of 1957?

Mr. SHERIDAN. That is correct. We have several phone calls. On May 16, 1956, Mr. Farrell called Mr. Hoffa three times at the Palmer House Hotel in Chicago, Ill. On September 11, 1956, Mr. Farrell called Mr. Hoffa at the Shoreland Hotel, in Chicago, Ill. On December 9, 1956, Mr. Farrell called Mr. Hoffa at the Americana Hotel in Miami Beach, Fla. On December 13, 1956, Mr. Farrell called Mr. Hoffa at Detroit, Mich., at the headquarters of local 299.

Mr. KENNEDY. Do you have the calls from Kavner that you can put in briefly?

Mr. SHERIDAN. On December 16, 1956, Mr. Farrell called Richard Kavner at Northdale, Fla., the Colonial Inn Hotel. On December 21, 1956, was the day that the textile workers formally filed a petition. On the following day Mr. Farrell called Mr. Kavner at Northdale, Fla. On the day after that, on December 23, Mr. Farrell made five calls to Peter Capellupo, who was the business agent for local 10.

Mr. KENNEDY. How do you spell his name?

Mr. SHERIDAN. C-a-p-e-l-l-u-p-o.

On the following day, December 24, Farrell placed two calls to Capellupo. On the same day, Mr. Pomerantz called Mr. Capellupo.

On January 7, 1957, Mr. Farrell called Barney Baker. On the same day, the Midwest Burlap & Bag Co. placed a call to the Central Conference of Teamsters in Chicago, a suite reserved for the Central Conference of Teamsters in Chicago.

On January 8, 1957, Farrell called Barney Baker. On January 9, 1957, Farrell called Richard Kavner. On January 10, 1957, Farrell called Capellupo.

On January 28, 1957, the Midwest Burlap & Bag Co. called Capellupo. On January 31, Farrell called Barney Baker.

The CHAIRMAN. When was this contract actually signed?

Mr. SHERIDAN. The contract was actually signed in January 1957.

The CHAIRMAN. Do you have the date in January?

Mr. SHERIDAN. We don't have the exact date. It is in the NLRB records which we do not have here with us. But we have been advised by the NLRB representative.

The CHAIRMAN. Who was Mr. Farrell working for at the time? What was his interest in this? Do we have that information?

Mr. SHERIDAN. Mr. Farrell has told us that he does not in any way represent anyone in a labor relations capacity.

When he testified before this committee, he took the fifth amendment regarding this question. But as far as we know, he has no official connection with this company.

The CHAIRMAN. He is not a part owner or an employee of the company?

Mr. SHERIDAN. No, he is not.

Mr. KENNEDY. I think the important thing, Mr. Chairman, is that the Textile Workers, a legitimate labor organization, was coming in to attempt to organize the plant; that they notified the company in December that they had a majority of the employees signed up; that immediately thereafter there was all of this activity with certain Teamster officials and Mr. Lew Farrell; that the company, Midwest Burlap & Bag Co., then in January signed a contract with this Teamster local from Omaha, Nebr., signing up their employees. The employer brought in the employees and helped sign them up in the union, and the legitimate union, the Textile Workers Union, was circumvented, their wish was circumvented. The contract of the Teamsters Union was back dated to September of 1956. This was a local that was under the trusteeship of Mr. James Hoffa.

The CHAIRMAN. This local 10 in Omaha; is that right?

Mr. KENNEDY. Yes.

The CHAIRMAN. Is there anything further?

Mr. KENNEDY. That is all, Mr. Chairman.

The CHAIRMAN. Mr. Hoffa, was Mr. Farrell working for you in connection with this operation?

Mr. HOFFA. No, sir.

The CHAIRMAN. Was he working for the local?

Mr. HOFFA. No, sir.

The CHAIRMAN. Was he working for any agency or unit of the Teamsters' organization?

Mr. HOFFA. I will say no. I would say this, officially, no. If anybody had him, he was not officially on any—he was not official with any union or any subordinate body of our international union, to my knowledge.

The CHAIRMAN. I just wondered what his keen interest in the matter was.

Mr. HOFFA. He seemed to indicate there that he was a friend of the owner, Pomerantz.

The CHAIRMAN. He tried to help Pomerantz?

Mr. HOFFA. That seems to be, from what the affidavit says.

Mr. KENNEDY. Is this a procedure that you would approve of, Mr. Hoffa?

Mr. HOFFA. Mr. Kennedy, I am not in a position to say I approve or disapprove, because it is my opinion, from what I know of the circumstances, Kavner had a majority of the cards when the contract was signed. And if he had a majority of the employees on application when it was signed, I would approve of the contract.

However, when the information came to my office concerning the question of the Textile Workers being involved in the situation, I

was the one responsible to see that the Textile Workers got their jurisdiction, and we maintained our jurisdiction.

Look in there and you will find it.

The CHAIRMAN. What would be the purpose of taking them into a union, a local, in another State, when there is one there immediately available?

Mr. HOFFA. Local 10 is a very small local union, and Kavner probably figured that since this was an industrial arrangement which was somewhat outside of the normal craft jurisdiction of the Teamsters, he probably decided to put them in the local union 10 to build that membership up without affecting the jurisdiction of the already chartered locals in Des Moines. That would be my opinion.

The CHAIRMAN. I can't see the logic or any real good reason for taking men here in one locality where you have a local, and organizing them into a local in another State.

Mr. HOFFA. We do it quite often, Senator. If you have a man who can get along with an employer, and you have a situation where it has been nonunion for a long time, they may find it necessary to change faces to be able to accomplish the contract.

The CHAIRMAN. Then, if I understand you, it is regarded as a proper practice for one local, like the local over here in Omaha, to go over in another State and raid the jurisdiction of a local over there?

Mr. HOFFA. No; they wouldn't have had jurisdiction, Senator, of a bag company, because normally bag companies don't come within our jurisdiction.

The CHAIRMAN. Where was this bag company located?

Mr. HOFFA. Des Moines, I think they said.

The CHAIRMAN. In Iowa. If they didn't come within the jurisdiction of your local in Des Moines, I would say, its work didn't; I don't see how it would come within the jurisdiction of a local over in Omaha.

Mr. HOFFA. We reserve the right as Teamsters to organize any company that is nonunion, irrespective of jurisdiction.

The CHAIRMAN. Wouldn't that reservation apply to the local there in Des Moines as well as the one in Omaha?

Mr. HOFFA. They may have wanted to remain strictly as a craft organization. Kavner would be probably the only one who could give you actually the details of it.

The CHAIRMAN. Have we had Kavner before us?

Mr. KENNEDY. He, Mr. Chairman, is the one that we have subpoenaed, and who has stated that he has had trouble with his heart. We had the doctors examine him and they said he could not testify.

The CHAIRMAN. That is the one that is declining to testify on account of his health.

Mr. KENNEDY. I just want to read further what labor itself said about this arrangement, Mr. Chairman. This is something, of course, we have been into in other areas, this kind of situation.

Sam Turk, president of the Polk County Labor Council, commented on the council's action in these words:

We are positive that elements who are injurious to labor and are only interested in hiding behind labor are trying to come into Des Moines not really for labor purposes.

Turk added that:

Des Moines labor will stop this.

In taking action to condemn Teamster Local No. 10, the Polk County Labor Council passed a resolution stating it was greatly disturbed by the invasion of the labor movement in Des Moines by Teamster Local 10. The council resolution said that the Teamster Local 10 action placed in jeopardy the jurisdiction of other international unions.

The employees of Midwest Burlap Bag Co. were unaware of any other union, other than the Textile Workers, being interested in organizing.

There is a feeling that the agreement by local 10 of Omaha with the Midwest Burlap Bag Co., of Des Moines, is a back-door agreement, and contrary to true union principles.

The CHAIRMAN. May I ask, to get this in its proper perspective, was that criticism made by the local there in Des Moines?

Mr. KENNEDY. No, this was made, Mr. Chairman, by the head of all the unions in the area.

The CHAIRMAN. Do you mean AFL-CIO heads?

Mr. KENNEDY. All AFL unions. The labor council in that county. This wasn't just the Textile Workers Union being critical, but a council made up of the heads of all the labor unions in this council, AFL labor unions were critical of this action.

The CHAIRMAN. Did you know about that criticism, Mr. Hoffa?

Mr. HOFFA. I didn't know about it, but I wouldn't have paid any attention to it, if I did.

The CHAIRMAN. Well, I think that is a true statement. I don't think you care much either way. Whatever means justify the ends, you pursue them.

Mr. HOFFA. Senator, I learned a long time ago that I can hire writers to write anything I want, for, pro or con, so I pay no attention to what is drafted in the heat of an argument.

The CHAIRMAN. Do you regard this as a back-door operation?

Mr. HOFFA. If he had a majority of the cards, no.

The CHAIRMAN. I am just asking you: Do you regard it as a back-door operation as this charges?

Mr. HOFFA. These charges here, do you mean?

The CHAIRMAN. Yes.

Mr. HOFFA. Well, I don't personally—well, I would say no. Leave it at that.

The CHAIRMAN. All right. Proceed.

Mr. KENNEDY. What about the employer bringing in the employees and telling them to sign these cards, Mr. Hoffa? Do you condemn that?

Mr. HOFFA. I don't see anything in the employer's affidavit that he signed, or any question that your man put to him, to determine whether or not that affidavit is proper or not, so I don't want to comment on it.

Mr. KENNEDY. I am not talking just about the affidavit of the employer, I am talking about the affidavit of the employee who said that he was brought into the office and told to sign up.

Mr. HOFFA. Well, I wasn't there, so I can't comment on it.

Mr. KENNEDY. Well, now, there is the affidavit. Do you condemn that? Do you think that is a proper procedure?

Mr. HOFFA. I have no comment on it.

Mr. KENNEDY. You are not going to condemn it?

Mr. HOFFA. I am not going to comment on it.

Mr. KENNEDY. I am asking you about it.

Mr. HOFFA. I wasn't there. I don't know anything about it.

Mr. KENNEDY. I am asking you about it, whether that is a procedure that you approve of.

Mr. HOFFA. I don't know it is a true affidavit.

Mr. KENNEDY. Excuse me?

Mr. HOFFA. I don't know that it is a true affidavit.

Mr. KENNEDY. Let's assume it is a true affidavit. Is that a procedure you approve of?

Mr. HOFFA. If he had a union shop contract, yes.

Mr. KENNEDY. Was it a union shop contract?

Mr. HOFFA. What did you say?

Mr. KENNEDY. Was it a union shop contract?

Mr. HOFFA. I don't know. I am asking you.

Mr. KENNEDY. This is your local.

Mr. HOFFA. I didn't read the contract.

Mr. KENNEDY. Well, I would think that you would know about it.

Mr. HOFFA. Why would I read an individual contract of a local union in Des Moines, Iowa? How many people, by the way, was in this plant? How big was this plant?

Mr. KENNEDY. Do you know?

Mr. HOFFA. No. What did they get for their jurisdiction and what did we maintain? That could make a big determination.

Mr. KENNEDY. No, I think the determination of the question here is the fact of the Textile Workers Union's coming in and trying to organize, and the sudden signing of a contract and predating it, and the fact that this was condemned by organized labor in that area, that a local came in from Omaha, Nebr., and signed this contract in Des Moines, Iowa.

Mr. HOFFA. I think you better ask Kavner, Senator. I can't answer the question on what Kavner did. I don't know.

The CHAIRMAN. The trouble is we can't ask Kavner.

Mr. HOFFA. He has a very bad heart condition. I understand that.

The CHAIRMAN. I am not at the moment challenging that.

Mr. HOFFA. But, Senator, he has offered in his affidavit to you to answer your questions in writing and under oath. So you could get the answer from him.

The CHAIRMAN. Yes, he has offered if we will send him questions down there, he will answer them.

Mr. HOFFA. That is right, under oath.

The CHAIRMAN. He has offered to do that.

All right, proceed.

Senator CHURCH. Mr. Kennedy, do I understand that this contract was signed in January 1957 but predated to September of 1956?

Mr. KENNEDY. That is correct.

Senator CHURCH. If that is so, Mr. Hoffa, would that be a procedure you approve of?

Mr. HOFFA. I don't think that is correct. When you were reading off the statement, I think there was a temporary contract signed in September, wasn't there?

Mr. KENNEDY. No.

Mr. HOFFA. You said a temporary contract was signed when they moved to a new plant.

Mr. KENNEDY. No.

Mr. HOFFA. What was that?

Mr. KENNEDY. There was a conversation evidently between Mr. Kayner and the employer that they might sign a contract, but there was never a contract signed until January of 1957.

Mr. HOFFA. All right.

In answer to your question, if there was a verbal agreement made in September with an employer, and it was finally consummated in January, I would find nothing wrong with predating the contract back to the day of the verbal agreement. There is nothing unusual about that.

The CHAIRMAN. I can well understand that you might enter into a contract in January and make it effective, give it retroactive effect, back to a certain date.

Mr. HOFFA. If you verbally agreed in September, and you finally consummate it in January.

Senator CHURCH. But there is a difference, is there not, Mr. Hoffa, in making a contract in January and drawing it up and signing it in January, giving it retroactive effect as of September, and actually dating the signing of the contract as though it would indicate on its face that it was signed in September rather than in January? Is there not a difference there, in your opinion?

Mr. HOFFA. For the legal effect of the agreement of signing it in January may be one thing. But if the employer wanted his contract because of his production output in September, you could very easily date the contract back to September to have it expire the next September and have a 12-month agreement.

I agree with you, you could just as well have signed it in January and have it run out in September. But they apparently didn't do it that way. I wasn't there, so I can't answer your question.

Senator CHURCH. Yesterday, Mr. Hoffa, at the end of the hearing we were discussing the matter of the Sun Valley development and the deposits in the Florida bank. I didn't have a chance then to ask you what disposition you intend to make of the money that is now on deposit there.

Mr. HOFFA. Leave it there.

Senator CHURCH. It is my understanding that \$400,000 is on deposit there, and that the Sun Valley development is now in bankruptcy court. It was also my understanding yesterday that your testimony was to the effect that it was in your power, in the power of your union, to withdraw this money.

Mr. HOFFA. That is right.

Senator CHURCH. At any time.

Now, inasmuch as the money is simply on deposit and gathering no interest, which is a matter of substantial cost to the union, and inasmuch as the development itself is now in bankruptcy courts, what do you intend to do with that money?

Mr. HOFFA. I will instruct the secretary-treasurer to put it into an account in the same bank and draw interest on it.

Senator CHURCH. That is what you intend to now do?

Mr. HOFFA. I will; yes.

Senator IVES. Mr. Chairman?

The CHAIRMAN. Senator Ives.

Senator CHURCH. One other question. What is the need for leaving it—money of the Michigan Teamsters locals involved—what is the purpose of leaving it in a Florida bank?

Mr. HOFFA. No particular purpose.

Senator CHURCH. I wouldn't think there would be any particular purpose unless—unless, there was, in fact, an understanding with the bank that the money should not be withdrawn.

Mr. HOFFA. You just got through saying that if the situation is over I could take it out. Now there is no particular reason why I couldn't, but if I decide to leave it there, there is no reason why I shouldn't.

Senator CHURCH. What I would like to know is why should you decide to leave it there, if there is no purpose being served.

Mr. HOFFA. There isn't any difference between one bank and another.

Senator CHURCH. This simply would tend to indicate that the information supplied to the committee yesterday in the affidavit, that the money would be left on deposit as long as the loan was outstanding is, in fact, the case.

Mr. HOFFA. Well, I read the testimony Mr. Bellino put in the record early this morning, so that when I came over here I would remember a few things about it, thinking you would have a few notes.

Mr. Bellino said that the bank made a statement that they believe even in the present procedures that they have no problem in securing sufficient money to take care of the outstanding indebtedness.

Senator CHURCH. Well, if that is the case, then—

Mr. HOFFA. It is a matter of record.

Senator CHURCH. If that is the case, then, should the bank have no objection or should you have no objection to withdrawing the money from the Florida bank, and no evident purpose would be served by keeping it there, yet you will tell me you will keep it there.

Mr. HOFFA. Nothing will be lost. I will get the same interest there as anywhere else, the same security.

Senator CHURCH. Is that so?

Mr. HOFFA. Isn't that so?

Senator CHURCH. Well, there is quite a variety between banks and depositories in connection with the interest available.

Mr. HOFFA. Certainly there is, but I think the bank to maintain an account generally does what is necessary to maintain the account in regards to paying interest.

Senator CHURCH. Is it a matter of convenience to Michigan locals to maintain large deposits in Florida banks?

Mr. HOFFA. Not necessarily.

Senator CHURCH. I would think it would be a matter of inconvenience.

Mr. HOFFA. Not necessarily. You can draw a check just as easy on a Florida bank as you can on one in Detroit. You have no problem with it that I could see.

Senator CHURCH. So you want to let the record stand, then, that you are now going to, as a result of our deliberations of yesterday, you are now going to instruct the secretary-treasurer, or whoever has

authority in these matters, to transfer this account in the Florida bank to a savings account so that it will commence to draw interest.

Mr. HOFFA. We will take care of it.

Senator CHURCH. But you are going to maintain the deposit in the Florida bank, although there is no evident reason for doing so.

Mr. HOFFA. We probably will.

The CHAIRMAN. Senator Ives.

Senator IVES. Yesterday I asked Mr. Hoffa if he would give me the total deposits that he had in all accounts in all the banks in which he has accounts, and I don't know whether he has had time to do the job. I want to inquire if he has had time to collect the information.

Mr. HOFFA. I have instructed the secretary-treasurer to prepare a statement concerning the accounts that I sign checks on.

Senator IVES. Thank you very much.

Mr. HOFFA. It will be a few dollars.

Senator IVES. How many?

Mr. HOFFA. It will be a few dollars.

Senator IVES. I assume it will be, judging from what you have disclosed here already. The Teamsters, as an institution, are as wealthy as many corporations.

Mr. HOFFA. More so.

Senator IVES. Yes, wealthier than some of our larger corporations.

The CHAIRMAN. Mr. Sheridan, is this a copy of the contract with the burlap company which you have been testifying about?

Mr. SHERIDAN. Yes, it is.

The CHAIRMAN. It may be made exhibit 198.

(Document referred to was marked "Exhibit 198" for reference. And may be found in the files of the select committee.)

The CHAIRMAN. Mr. Hoffa, to get this thing where we can get the facts on record and properly evaluate them, this contract starts off with a question of whether this is a proper practice or not.

This agreement made and entered into this 3d day of September, 1956 by and between Midwest Burlap and the union.

That, of course, is not accurate. There may have been an oral contract, but this contract was not made and entered into at that time.

Mr. HOFFA. That was the January agreement, is that right?

The CHAIRMAN. Sometime in January, yes, according to the information we have, when the contract was actually entered into and signed.

Now, a review of the contract and an examination of it from the staff viewpoint, and I have not read it all, indicates that the only benefit in this contract that was immediate in any sense to the employees in this provision:

An increase of 5 cents per hour will become effective February 1, 1957 for the following classifications.

Then it names the classifications.

An increase of \$2 per week will become effective February 1, 1957 for truck-drivers.

Now, I cannot understand why, if you are making a contract back in September, that the increase, or the only benefits immediately at least to the employees, would be postponed until February. This rather indicates, and you can make any explanation you can of it, that

the contract actually was made in January and the first of the next month the rate increases went into effect.

Do you have any comment about it?

Mr. HOFFA. I would like also, if you have it there, to have a copy of the textile workers' contract that they signed when we gave them the membership of that union. I think you will find that the textile workers accepted exactly what we have in our agreement. If you have it, you can compare it and you will find out that they took exactly the provisions we have and put it in their contract.

The CHAIRMAN. Which contract are you speaking of?

Mr. HOFFA. The textile workers.

The CHAIRMAN. You mean after this contract was signed?

Mr. HOFFA. No. When I identified the jurisdiction that rightfully belonged to the textile workers, the textile workers, I am quite sure from memory, they assumed the contractual provisions that we had already negotiated for the individuals that they put in their union.

The CHAIRMAN. What you mean is, you made just the same contract that the textile workers had made?

Mr. HOFFA. I am quite sure if you have it, it will show that that is correct.

The CHAIRMAN. We will have it compared, if we have the other contract, and see.

Mr. KENNEDY. The point is that you stated that this contract was going back to September of 1956, although signed in January of 1957. The increases in wages, if that is true should have gone back to September of 1956, and be retroactive as you say the contract was.

The CHAIRMAN. In other words, what is there in the contract that necessitated dating it back to September 3?

Why would it have to be made retroactive?

There are no benefits that accrued until the beginning of the next month. I just cannot understand unless there is some reason about taking jurisdiction away, or undertaking to take jurisdiction away from another union.

(The witness conferred with his counsel.)

The CHAIRMAN. Can we proceed?

Mr. HOFFA. Yes, it is very interesting here, and it will answer some of the questions and clear up something.

The CHAIRMAN. All right, let us have it.

(The witness examined the document.)

Mr. HOFFA. Let us look at this contract.

Now, first of all, Iowa is an open-shop State.

The CHAIRMAN. It is what?

Mr. HOFFA. An open-shop State, with a right-to-work law.

Now, if you will take section B, which is a union shop provision of article 1, you will find that section B is inoperative because of the State law of Iowa, but also hoping that the legislature will be liberal and change the law to a union shop, and place the union shop in the contract with this proviso:

No provision of this agreement shall apply in any State to the extent it may be prohibited by State law,

which again takes care of the question of open shop.

If under applicable State law, additional requirements must be met before any such provisions may become effective, and additional requirements shall first be met.

Now, this is why the employers called the employees in.

In those instances where subsection B may not be validly applied, the employer agrees to recommend to all employees that they become members of the local union and maintain such membership during the life of this agreement, to refer new employees to the local union representatives, and to recommend to delinquent members that they pay their dues since they are receiving benefits of this contract.

Then we go down to 2, where we deal with the question of check-off. The employer can conceivably sign a card and, signing that card, he agrees to a checkoff, which is not illegal under a right-to-work law.

Then they come into the question here of grievance machinery. Now, in that question, if this contract was retroactive to September, an employee who had a grievance, he could process the grievance even though the contract was signed in January and dated back to September. If there was a discharge or grievance, he could protest it under the grievance machinery, and very conceivably be able to recapture a job or loss of pay suffered because of a complaint.

The CHAIRMAN. Why could you not just date it back for the time the employee had been working there, if you are going to date it back? If you are going to date it back to take care of grievances, if that is a reason, why not date it back to the time the employee had been working there?

Mr. HOFFA. Because you couldn't do it. It would be 20 years back, and you might have a 20-year employee.

Mr. KENNEDY. You could just date it the day it was signed, like it was signed, and then say it is retroactive to September. I think the interesting thing is it is dated in February.

Mr. WILLIAMS. I think he has a right to finish his answer.

The CHAIRMAN. I will let him finish.

Mr. KENNEDY. I don't think it is in point.

Mr. HOFFA. Then we have the next question, which comes into the question of holiday pay.

Now, if the contract was retroactive to September, the man would receive Labor Day and Christmas holiday pay or Christmas and that is giving pay. It would be Labor Day, that is giving an increase in pay.

The CHAIRMAN. He would have received that then if the contract was in force?

Mr. HOFFA. It was retroactive; yes.

The CHAIRMAN. Do we have any information that he did?

Mr. HOFFA. I am just going through what you handed me.

Then you come over to vacations, and if you take the article here dealing with article 11, section 1, it sets up a vacation schedule and you could retroactively have credits back to September, which could conceivably give you a vacation which you would not be entitled to if it was dated in January. So that takes care of that.

Now you come down to the question of article 13, seniority. Under this contract dated back to September, he would have a seniority status recognized by the contract machinery subject to grievance if there was a dispute back to September, which you would not have had if you signed a contract in January.

Now let us go over to the next question.

You come to the last section of this contract, and you come to termination provision, article 23 :

This agreement shall be in full force and effect from September 3, 1956, to September 3, 1957, and shall continue in full force and effect from year to year thereafter unless written notice of desire to terminate is given.

Now, since the contract went into effect in September, the man would have received, even though only a 5-cent increase in January, he would have received the question of seniority, grievance machinery, holiday pay, and vacation pay, which would be equivalent to a retroactive rate structure of probably more than 5 cents. So very conceivably that is why Kavner handled the contract that way.

The CHAIRMAN. I cannot see the seniority thing, if the fellow is working there, and dating the contract would not change the date he started to work.

Mr. HOFFA. Yes, sir; let me tell you what it does, Senator.

The CHAIRMAN. Maybe there is some mechanism in those agreements that I do not understand.

Mr. HOFFA. There sure is, and I will tell you why.

If I have 20 years' seniority with a concern, and you have 5, and if the contract isn't in effect and there is a promotion to a better paying job, or a question of being able to receive night differentials or shift differentials, and without seniority being in effect, I would not be able to collect the shift differential because, under an employer arrangement where there is no union shop contract, the employer has the sole discretion, irrespective of seniority, to be able to place the employee in the various shifts he wants him to work and in the classification he wants him to work. So there are provisions in that agreement which could be in excess of the 5 cents in January, retroactive to the employer in that contract, including the three holidays.

The CHAIRMAN. I think it would be very illuminating to ascertain, Mr. Counsel, whether these men were paid holiday pay from September until January.

Mr. HOFFA. If they would have a grievance, Senator, right at this present moment, even under the textile workers, to collect.

The CHAIRMAN. Mr. Hoffa, I am not challenging your interpretation of the contract, however good it is, is no good as far as benefits flowing to the worker unless the contracts are enforced.

Mr. HOFFA. There is no question about it, but by the same token, if the contract is signed—

The CHAIRMAN. I would like to find out if these provisions were actually in good faith, and if they were enforced.

Mr. HOFFA. I understand.

The CHAIRMAN. If not, then it would lend strength to the suspicion, at least, that this contract was signed solely to prevent them from joining the union of their choice.

Mr. HOFFA. But even if the union did not process the complaint under that contract, they could have very easily gone to the Labor Board or to civil courts and collect what is in that agreement, if they did not receive it.

Therefore, predating it would have obligated the employer to accept those provisions retroactively.

The CHAIRMAN. Again I am wondering if the men knew what was in the contract in the first place, and in the second place, again it

points up, I think, the need for these contracts to be approved by the membership before they become effective.

Mr. HOFFA. We don't disagree with that.

Senator IVES. I would like to ask Mr. Hoffa a question, if I may, on this question of the right to work. I am not acquainted with exactly how it is interpreted and exactly how it is carried out. I happen to be among those who are opposed to it.

I want to ask you this: You say this is the open shop, and naturally it is with that kind of a provision. That being the situation, only those who sign the contract individually are affected by it, are they not?

Mr. HOFFA. That is right.

Senator IVES. By that contract?

Mr. HOFFA. And even on the checkoff, in that particular State, the man and wife must both jointly sign the checkoff.

Senator IVES. That is as I understand it.

Now, to carry this a little further, suppose certain workers refuse to sign the contract, what happens then?

Mr. HOFFA. Nothing.

Senator IVES. In other words—

Mr. HOFFA. It would be a penalty under the law, and I believe it is a year in jail and a large fine if an employee is forced to sign into a union against his will in that particular State.

Senator IVES. You have members of that union, I assume, or you have people working there in that plant that I assume are not members of that union?

Mr. HOFFA. I would imagine so.

Senator IVES. You do not know much about what is going on there. I would like to know the full particulars of that, because this "right-to-work" question is getting to be a serious matter and we ought to know more about it.

Mr. HOFFA. It is a quite a fake.

Senator IVES. Well, I know what you mean, and I am well aware of it, and you do not need to argue about this thing with me. But I just want to know more about it. I do not think the Congress knows as much about it as it should know before it finally decides to take action on it.

Senator CHURCH. Mr. Hoffa, in your review of this contract, you have mentioned certain provisions and pointed up how these provisions conferred benefits on the workers involved during the fall months preceding January; that is, September, October, November, and December.

What I am wondering is this: Assuming that this so, could not all of these benefits have been secured during the fall months merely by entering into an agreement in January and making that agreement retroactive to September?

Mr. HOFFA. There isn't any question about it, but after all, looking behind instead of ahead is pretty easy.

Now, Kavner may have believed, and I can understand the negotiations and you probably can if you have been in them, you can understand that if an employer said, "I give you an increase as of January 1, but I will make the fringes retroactive to September," you can draft it one of two ways: either you can put the January

date in, and make it from January to September as a term of contract, or you can say you can predate the contract to September and make it effective in January for the wage increases. It is a matter of lawyers and people drafting the contract, as to how to gain the same effect in different ways.

Senator CHURCH. I have drafted contracts of this kind in my own practice of the law, and in my opinion it is not simply a matter of doing it one of two ways.

It seems to me that there is a right way and a wrong way to do it. That agreement commences with this statement in the preamble:

This agreement made and entered into the 3d day of September 1956.

There is evidence before the committee that it was not made and entered into on the 3d day of September 1956, so that this is a misstatement of fact. It was in fact entered into in January. Now, as far as the benefits conferred through making it retroactive are concerned, all of those benefits could have been realized by merely making it retroactive, but not by stating that it was entered into in September rather than in January.

You would agree with that?

Mr. HOFFA. I am not going to quarrel with it. You can do it exactly as you stated and you have the same results, and I think the same results came out of the signing of the contract the way it is. I wouldn't have signed it this way personally. I would have signed it in January and made it retroactive.

Senator CHURCH. I would not have drawn it up this way if I had been the attorney involved because it does represent a misstatement of fact, and I think that it does give rise to the inference that the only purpose served by doing it this way is the very purpose pointed to by the committee, namely, making it appear as though a contract was in fact entered into in September for the purpose of undermining the jurisdictional claim of the other union.

Mr. HOFFA. It wouldn't have held up legally anyway. You are familiar with the labor laws, and you know as well as I do that you cannot predate a contract and effectively go in front of the Board and use that as a contract bar to another union being able to petition for an election.

Is that right, sir.

Senator CHURCH. That only serves to emphasize the fact that this was in the nature of a ruse.

Mr. HOFFA. No use of me arguing with you. I wasn't there.

Senator CHURCH. I think this is a very improper way to handle union contracts.

Mr. HOFFA. Well, I still would like to leave the record that the retroactive feature of the agreement, irrespective of how it was signed, was effective as of September and could have been very easily drafted, as you stated, by stating retroactivity on fringes, basic wages from now on, and gotten the same effect, making it from January to September.

Senator CHURCH. I would only add it not only could have been, but it should have been.

Mr. HOFFA. That is a matter of lawyers.

Senator IVES. Having had a little experience in this field myself, I would feel, I think, that the Senator is correct. I am sorry to disagree with you in that matter, Mr. Hoffa, but I have to.

Mr. HOFFA. That is all right, too.

Senator IVES. Just one more case where we do not agree.

Mr. HOFFA. That is right.

Senator IVES. There is another question I want to ask you before I turn this back to counsel. I want to ask you this: Do the workers who are not members of that union receive the same pay and benefits that the union members receive.

Mr. HOFFA. Yes. You cannot sign an agreement in an open shop State not giving all the employees of that particular concern the same benefits with or without the joining of a union.

Senator IVES. That is what I wanted to find out. How it was handled there.

Mr. HOFFA. That is right.

Senator IVES. Thank you.

Mr. KENNEDY. Local 876 of the Retail Clerks is in the Teamsters headquarters in Detroit?

Mr. HOFFA. It was, yes.

Mr. KENNEDY. They pay dues, do they not, to Teamsters?

Mr. HOFFA. Five cents.

Mr. KENNEDY. Excuse me?

Mr. HOFFA. Five cents per capita tax per month to the joint council.

Mr. KENNEDY. That is Teamster Joint Council 43?

Mr. HOFFA. That is right.

Mr. KENNEDY. Our records show that from January 1, 1954, to September 30, 1957, they paid a total of \$83,175.17. Is that correct?

Mr. HOFFA. Eighty-three thousand what?

Mr. KENNEDY. \$83,175.17.

Mr. HOFFA. It could be. I don't know.

Mr. KENNEDY. A number of their contracts are signed by you.

Mr. HOFFA. You are right. Pretty good ones, too.

Mr. KENNEDY. And their contracts with the various supermarkets and chainstores are signed by you?

Mr. HOFFA. That is right. If you look how they are signed, you see that they are signed as chairman of the negotiating committee, and that the respective Meat Cutters Union and the Clerks Union sign for their particular unions. Have you got it in front of you? Take a look at it.

Mr. KENNEDY. You sign as chairman of the negotiations committee?

Mr. HOFFA. Right.

Mr. KENNEDY. Were you chairman of the negotiations committee?

Mr. HOFFA. Joint negotiating committee.

Mr. KENNEDY. That would be for what unions?

Mr. HOFFA. The Meat Cutters and the Clerks.

Mr. KENNEDY. You were chairman for the Meat Cutters and the Clerks?

Mr. HOFFA. That is correct.

(At this point Senator McClellan returned to the hearing room.)

Mr. KENNEDY. You also witnessed a good number of the contracts?

Mr. HOFFA. That is right, again acting as chairman of the negotiating committee.

Mr. KENNEDY. How were you, as the Teamster official, selected to be the chairman of the negotiating committee——

Mr. HOFFA. Well, I will tell you, Mr. Kennedy, it is a long story.

Mr. KENNEDY. Do you want to wait until I finish, Mr. Hoffa? How were you as a Teamster official selected to be——

Mr. HOFFA. Well, I will give you——

Mr. KENNEDY. Do you want to wait until I finish the question, Mr. Hoffa?

Mr. HOFFA. Go right ahead.

Mr. KENNEDY. How were you selected to be head of the negotiating committee for the Retail Clerks and the Butchers?

Mr. HOFFA. Well, I will give you the answer to the question, and it takes a couple of words of explanation so you will know exactly what happened. Prior to the Retail Clerks or the Meat Cutters having any membership in retail stores in our area of any extent, all of those individuals who were organized at that time were in the Teamsters. We had taken jurisdiction of the retail outlets, and organized them. When the Retail Clerks international president went to see President Tobin at that time, complaining about our taking their jurisdiction, President Tobin called my office and inquired whether or not I would meet with their representative to turn over the local union to the Clerks Union. I met with them, worked out an arrangement whereby it would be understood that the present personnel would go to work for the Retail Clerks, and would remain working for them even though they were Teamsters. But the per capita tax and the membership would be transferred to the Retail Clerks and the Meat Cutters International Union, with the understanding that they still would remain members of our joint council.

There was a mass membership meeting called, and it was agreed by the workers to go from the Teamsters Union into the Retail Clerks Union with the same officers and the same business agents handling their business, with the understanding that I would remain as chairman of the bargaining unit, because I had been negotiating their contracts from the day they made \$9 a week and worked as high as 75 and 80 hours up to the standard they had at that time. Each contract period thereafter the employees who attended the meetings were given permission of deciding whether or not they wanted their individual representatives of their unions, their executive boards, to negotiate their agreement, or whether or not they wanted me to remain the chairman. It was voted that I should remain the chairman of the negotiating committee for two reasons: One, I was thoroughly familiar with the industry and, two, the Retail Clerks and the Meat Cutters could not win a strike without the Teamsters Union, then or now. And as long as I sat in the negotiations, the employers were on alert that if they had a fight with the Retail Clerks, they were going to have a fight with the Teamsters Union. The result was there wasn't any fight, and the contracts were signed, and the increases were put into effect, wage increases, to where they have a contract today that is equivalent to any contract in the United States without work stoppages. That is the explanation.

Mr. KENNEDY. Working for the Retail Clerks was Mr. Steve Riddle?

Mr. HOFFA. That is right.

Mr. KENNEDY. Is he related to you?

Mr. HOFFA. That is right.

Mr. KENNEDY. What is his——

Mr. HOFFA. My uncle.

Mr. KENNEDY. Also Lawrence Bushkin?

Mr. HOFFA. That is right. No, not Lawrence. Was it?

Mr. KENNEDY. Herman.

Mr. HOFFA. Herman. Yes.

Mr. KENNEDY. Is he related to Babe Bushkin?

Mr. HOFFA. Jack.

Mr. KENNEDY. A brother?

Mr. HOFFA. A brother.

Mr. KENNEDY. A brother of Jack Bushkin?

Mr. HOFFA. Yes.

Mr. KENNEDY. He is a witness who appeared before the committee and who represents many of those grocery chains, who took the——

Mr. HOFFA. That is right.

Mr. KENNEDY. And he took the fifth amendment. Mr. Lawrence Brennan, does he also work for the Retail Clerks?

Mr. HOFFA. He did at that time, yes.

Mr. KENNEDY. Is he related to Owen Bert Brennan?

Mr. HOFFA. A son.

Mr. KENNEDY. Mr. Otto Wendel—did he work for them?

Mr. HOFFA. He did, before and after.

Mr. KENNEDY. Before and after what?

Mr. HOFFA. When they were in the Teamsters and when they were in the Clerks.

Mr. KENNEDY. Haven't they always been known as Retail Clerks?

Mr. HOFFA. No, they were Teamsters at one time.

Mr. KENNEDY. Up to what day? What was the date?

Mr. HOFFA. Ten or twelve years ago; maybe 15. I don't know.

Mr. KENNEDY. Otto Wendel, what was his position?

Mr. HOFFA. Secretary-treasurer.

Mr. KENNEDY. Did he do some lobbying work for you?

Mr. HOFFA. He did.

Mr. KENNEDY. At the legislative sessions in Lansing?

Mr. HOFFA. He did.

Mr. KENNEDY. He was paid for that out of the Retail Clerks, was he not?

Mr. HOFFA. He was on salary with the Retail Clerks, his expenses were paid sometimes by the Clerks and sometimes by the Teamsters Union, according to what bills he was working on at the particular time.

Mr. KENNEDY. He listed himself up there as a——

Mr. HOFFA. Lobbyist.

Mr. KENNEDY. For the Michigan Breeders & Kennel Operators.

Mr. HOFFA. That is right.

Mr. KENNEDY. He never listed himself as a lobbyist for the Retail Clerks.

Mr. HOFFA. It wasn't necessary?

Mr. KENNEDY. It was not necessary?

Mr. HOFFA. No.

Mr. KENNEDY. Isn't he supposed to list all the lobbying activities, all of his employers in lobbying activities?

Mr. HOFFA. Well, I am not familiar with that section of the law, but I understood that that was sufficient, that you had to register as a lobbying, but I don't think you were confined specifically to what was listed there.

Mr. KENNEDY. Local 876 paid per capita membership to the Michigan State Federation of Labor?

Mr. HOFFA. That is right.

Mr. KENNEDY. They paid per capita membership for 23,000 members while their true membership was only 11,000. Can you explain that to us?

Mr. HOFFA. Nope.

Mr. KENNEDY. This meant a loss to the Retail Clerks of \$5,760 a year?

Mr. HOFFA. It didn't mean any loss to them at all.

Mr. KENNEDY. This is how much more they paid to the Michigan Federation of Labor over and above what they should have paid for 11,000.

Mr. HOFFA. That is right. It was in the form of a donation to keep the federation operating.

Mr. KENNEDY. Was the purpose of that to pay for 23,000 members to give the necessary extra votes so that you would be able to continue to have control of that organization?

Mr. HOFFA. Mr. Kennedy, I didn't need anybody to pay anything. I control the federation with the votes for more years than you have been around. I will tell you right now, that the federation with the building trades, the Teamsters and our friends, were always able to meet, work out our problems prior to a convention, and go in with a united front.

Mr. KENNEDY. Is that the reason they paid for 23,000 members when they only had 11?

Mr. HOFFA. I would say no.

Mr. KENNEDY. Was that ever discussed?

Mr. HOFFA. Discussed?

Mr. KENNEDY. Yes, that they would pay for these extra members for that purpose, in order to control the Michigan Federation—

Mr. HOFFA. It was discussed that they would pay the extra members, so they would give the federation some extra money, and naturally they would take credit for the delegates entitled to it.

Mr. KENNEDY. Was it ever discussed that this would give you control of the Michigan Federation of Labor?

Mr. HOFFA. I didn't need the extra votes.

Mr. KENNEDY. Just answer the question. Was it ever discussed? That subject?

Mr. HOFFA. Not specifically from that standpoint, no, whether or not it would give me additional votes.

Mr. KENNEDY. It was never discussed?

Mr. HOFFA. I say it was never specifically discussed that I needed that given number of extra votes to be able to have a majority vote in the federation. Certainly, I was aware of the fact that if they paid per capita tax they were entitled to a certain number of votes, and when we tallied up the number of votes we had in a convention we certainly used the maximum number of votes for the convention.

Mr. KENNEDY. That was a factor in their paying for the extra number of people, was it not?

Mr. HOFFA. The basic point was that the federation was in need of money, and in paying the per capita tax, they were entitled to the delegates.

Mr. KENNEDY. Wasn't that a factor in your paying the extra amount of money, Mr. Hoffa?

Mr. HOFFA. A minor factor.

Mr. KENNEDY. But it was a factor?

Mr. HOFFA. A minor factor.

Mr. KENNEDY. Can any local, then, pay as much as they want, not only make a donation but pay for per capita membership of 20,000 when they only have 5,000?

Mr. HOFFA. A lot of them pay less than what they are supposed to pay. Otherwise, some locals wouldn't have to pay more.

The CHAIRMAN. Mr. Hoffa, does the paying more—does that determine the number of delegates and so forth?

Mr. HOFFA. Yes, sir.

The CHAIRMAN. In other words, if you have, say, 11,000 members, you would be entitled, say, to 11 delegates? I am just using that as an illustration.

Mr. HOFFA. Yes.

The CHAIRMAN. But if you pay on 23,000 members, then you have 23 delegates?

Mr. HOFFA. That is right.

The CHAIRMAN. In other words, you double your voting strength by paying the money?

Mr. HOFFA. That is right.

Mr. KENNEDY. Is it understood that locals can pay on whatever membership they wish to pay on, rather than their actual membership?

Mr. HOFFA. I never heard of anybody raising objection.

Mr. KENNEDY. Was it generally understood that you were paying for the Retail Clerks twice as much as was necessary?

Mr. HOFFA. I don't know if it was or not.

Mr. KENNEDY. Do you know if that was understood or known?

Mr. HOFFA. Nobody ever challenged it.

Mr. KENNEDY. Well, was it understood? Did you explain that, that this was a donation?

Mr. HOFFA. I wouldn't explain it, unless somebody raised a question.

Mr. KENNEDY. Are the Retail Clerks still in the Teamster office?

Mr. HOFFA. No.

Mr. KENNEDY. When did they move out.

Mr. HOFFA. Maybe a year or 18 months ago; somewhere around there.

Mr. KENNEDY. About August of 1957, about a year ago?

Mr. HOFFA. Somewhere around there.

Mr. KENNEDY. The Retail Clerks International moved it in and put this local in trusteeship?

Mr. HOFFA. That is right. When you got in action, they had enough courage to come in and do it.

Mr. KENNEDY. They what?

Mr. HOFFA. When you got in action, they had enough courage to come in and destroy this local union that had been operating for a number of years successfully.

Mr. KENNEDY. And they took it out of there?

Mr. HOFFA. Yes.

Mr. KENNEDY. What happened to Lawrence Brennan?

Mr. HOFFA. He went to work for 337.

Mr. KENNEDY. Of the Teamsters?

Mr. HOFFA. That is right.

Mr. KENNEDY. And Mr. Herman Bushkin?

Mr. HOFFA. Went to work for his brother.

Mr. KENNEDY. And Mr. Steve Riddle?

Mr. HOFFA. Worked for the joint council.

Mr. KENNEDY. And Otto Wendel?

Mr. HOFFA. Joint council.

Mr. KENNEDY. Who from the Retail Clerks came in to take over this union?

Mr. HOFFA. I don't know his name.

Mr. KENNEDY. You don't know who it was?

Mr. HOFFA. I don't know.

Mr. KENNEDY. You don't know who it was?

Mr. HOFFA. Offhand I don't know who it was.

Mr. KENNEDY. Do you remember Mr. Sol Lippman?

Mr. HOFFA. No; he is an attorney. He didn't come in to take it over.

Mr. KENNEDY. Do you remember any conversation with Mr. Sol Lippman?

Mr. HOFFA. I sure do.

Mr. KENNEDY. Where did the conversations take place?

Mr. HOFFA. In one of our offices.

Mr. KENNEDY. Will you relate the conversation to the committee?

Mr. HOFFA. You bet your life I will. I told Sol Lippman in my opinion that the entire International Retail Clerks were making the worst mistake they had ever made in their life, and that they were going back on an arrangement they had made with me personally, not only in the old regime but the present regime, and they would see the day that they would be very sorry that they were doing what they were doing, and that he personally, so far as I was concerned, wouldn't ever do any business with the Teamsters Union successfully.

Mr. KENNEDY. What else did you say to him?

Mr. HOFFA. That is about all.

Mr. KENNEDY. What did you say to him about having him killed?

Mr. HOFFA. Killed?

Mr. KENNEDY. Yes.

Mr. HOFFA. Sol Lippman? I wouldn't even waste my time talking about it.

Mr. KENNEDY. What did you say to him at that time?

Mr. HOFFA. I didn't say anything about it.

Mr. KENNEDY. Will you swear under oath that you did not say anything to Sol Lippman in your office about having him killed?

Mr. HOFFA. I did not.

Mr. KENNEDY. Did you say anything about the fact that you could have him killed in that office and nobody would know about it?

Mr. HOFFA. I did not.

Mr. KENNEDY. Did you say anything to the fact that he could be walking down the street and could be shot one day?

Mr. HOFFA. I did not.

Mr. KENNEDY. Did you say anything to the effect that juries treated you very well——

Mr. HOFFA. What did you say?

Mr. KENNEDY. Did you say anything to him to the effect that juries treated you very well, that you could have him killed and that you thought that you could do very well before a jury?

Mr. HOFFA. Now, you know, that is pretty ridiculous.

Mr. KENNEDY. Did you say anything like that?

Mr. HOFFA. I did not.

Mr. KENNEDY. You didn't mention any of these things at all?

Mr. HOFFA. I didn't say to Sol Lippman I would have him killed. I did not.

Mr. KENNEDY. Did you say anything generally on the subject of having him killed, murdered, shot?

Mr. HOFFA. Mr. Kennedy, if you want to make this dramatic, all right, but the answer is "No."

Mr. KENNEDY. Nothing along those lines?

Mr. WILLIAMS. We have covered this, Mr. Chairman. I don't see that repetition has done any good. He has answered the question 14 times, by my count here.

Mr. KENNEDY. I have information directly to the contrary.

Mr. HOFFA. Bring Lippman around here.

The CHAIRMAN. Just a moment. I think it has been covered but sometimes answers, as given, suggest the necessity for further interrogation along the same line. I think it has been covered now. You swear under oath you did not threaten to shoot him, have him shot, or talk about getting him shot in any way, shape, form, or killed in any manner, any time, anywhere, under any circumstances—period?

Mr. HOFFA. Mr. Lippman and I were alone in the office discussing the question, and I did not tell him that anything was going to happen to him along the lines you are talking about.

The CHAIRMAN. Or even suggest it could happen?

Mr. HOFFA. No.

The CHAIRMAN. All right, proceed.

Mr. KENNEDY. Now I want to ask you about another matter——

Mr. HOFFA. Did you ever see Lippman, Mr. Chairman?

The CHAIRMAN. No; I don't know a lot of people in some circles.

Proceed.

Mr. KENNEDY. Mr. Hoffa, you are familiar with the loan that was made to the Winchester Village?

Mr. HOFFA. Yes.

Mr. KENNEDY. You were present at the meetings——

Mr. HOFFA. Some of them.

Mr. KENNEDY. Excuse me?

Mr. HOFFA. Some of the meetings.

Mr. KENNEDY. Some of the meetings.

When the loan was made to the Winchester Village?

Mr. HOFFA. I was there during the discussion.

Mr. KENNEDY. Did you understand that an investigation had been made of the background of the individuals who were to receive this million dollar loan?

Mr. HOFFA. Yes.

Mr. KENNEDY. You did?

Mr. HOFFA. I understood this, so we will get it straight: First of all, let's put it this way: They came in and discussed the question of the loan with the trustees, and I was in the meeting, discussed the question of the loan. The questions were asked whether or not they could be properly secured, were the individuals reliable, and we were assured they were, and whether or not there was sufficient collateral. We were assured there was. The trustees asked questions, we all asked questions, because I have a stake in local 299 in the welfare fund in Michigan. I have the largest local there.

Mr. KENNEDY. Did you suggest or approve of the loan?

Mr. HOFFA. I had no way of approving the loan.

Mr. KENNEDY. Well, did you suggest that it be granted?

Mr. HOFFA. If all the facts were true that we were told, when the question was put to me did I think it was a good loan. I said "If what they are saying is true, I believe it is a good loan."

Mr. KENNEDY. Did you understand that any check had been made in the background of any of these individuals?

Mr. HOFFA. You are talking about the personal check on the individuals?

Mr. KENNEDY. Mr. Green and Mr. Winshall.

Mr. HOFFA. I understood that they were men of experience and integrity, and that people who represented them were well known to our lawyer, to other lawyers. I also understood from the information they brought that day to our office that it was a loan that was properly secured. If I remember your own testimony, right from Bellino, he said at that time that the loan was properly secured and was a good loan.

Mr. KENNEDY. The agreement, I believe, he said was a good agreement.

Mr. HOFFA. No, he did not. Check your own record. He said the loan was a good loan at that time, and it was properly secured. Now, check your record.

Mr. KENNEDY. Mr. Hoffa—

Mr. HOFFA. I knew you were going to ask me this, so I made it my business to read what was said.

Mr. KENNEDY. Mr. Hoffa, it was brought out and developed that no check had been made into the background of these individuals, that the liabilities exceeded their assets by approximately \$10,000.

Mr. HOFFA. Senator McClellan, that was not the question directed to me.

Mr. KENNEDY. I am asking you whether any check had been made into the background of these individuals. That is the question.

Mr. HOFFA. That isn't the question that I answered, Senator McClellan. The question was, was I informed had there been a check made on the individuals, and I answered that they were qualified and had the integrity that was necessary to me to make a loan to them, and they had checked—

The CHAIRMAN. Mr. Hoffa, you were asked if a check had been made. You didn't answer yet whether a check——

Mr. HOFFA. I can't, because I must take other people's word for the fact that it was, Senator. I didn't personally check it, no. It wasn't my responsibility.

The CHAIRMAN. Your answer is you don't know whether a check was made or not?

Mr. HOFFA. He didn't ask me that question. If he asked me, do I know, I would have said "No." But he did not ask me that question.

The CHAIRMAN. He asked you, according to your statement, was a check made.

Mr. HOFFA. If you ask me do I know a check was made, I have to say no.

The CHAIRMAN. All right; was a check made on these individuals as to their background, Green and Winshall?

Mr. HOFFA. Of my own personal knowledge, I do not know. The answer would be "No."

The CHAIRMAN. Then the answer is, at the time you didn't determine that such action had been taken?

Mr. HOFFA. I didn't.

The CHAIRMAN. Period.

Proceed.

Mr. KENNEDY. Were you informed by anyone that such a check had been made?

Mr. HOFFA. I answered that, which got us into this argument, by saying that I had been told that it had been checked.

Mr. KENNEDY. Who told you that?

Mr. HOFFA. Mr. Fitzgerald and—I don't know if there was another lawyer there or not.

The CHAIRMAN. Is that your attorney, Mr. Hoffa?

Mr. HOFFA. That is right. I think there was somebody else there. I can't think of the fellow now who was at that meeting.

Mr. KENNEDY. Did Mr. Fitzgerald also tell you about the fee that he was receiving?

Mr. HOFFA. No.

The CHAIRMAN. May I ask you at this point: Do you regard that as a proper fee, where he was representing the welfare fund?

Mr. HOFFA. Do you mean do I now regard it as such?

The CHAIRMAN. Well, then or now.

Mr. HOFFA. Then I didn't, no.

The CHAIRMAN. But being a fact established, and I don't think it is denied, it is admitted by all concerned that he did receive or that there was a \$35,000 fee paid to his firm, or which he got \$15,750 while at the same time he was on a retainer fee basis and representing this welfare fund. Would you say that was a proper charge?

Mr. HOFFA. Well, I think that is a matter of lawyers' ethics, and I am not qualified to talk. But insofar as the question of him getting \$35,000——

The CHAIRMAN. Let's take it from a standpoint of clients' ethics.

Mr. HOFFA. Well, if he was working in behalf of——

The CHAIRMAN. He was working for your fund?

Mr. HOFFA. That is right.

The CHAIRMAN. Being paid by the fund?

Mr. HOFFA. No, I don't think so. I don't think he was working for the health and welfare, sir. He was working for the union or the joint council.

The CHAIRMAN. Well, working for the union.

Mr. HOFFA. Or the joint council.

The CHAIRMAN. And that fund belongs in the union?

Mr. HOFFA. No, it is a separate trust instrument, completely separated from the union.

The CHAIRMAN. My recollection is that he was getting paid out of this fund.

Mr. HOFFA. No, sir.

Mr. KENNEDY. He was supposed to be paid out of the fund, Mr. Chairman, out of the fund for the money that was used on the loan. As far as his getting a fee, he was getting paid by joint council 43.

Mr. HOFFA. That is right. But the question of whether or not it was right or wrong—well, I have been doing business with lawyers quite a while, and most of the lawyers are either getting forwarding fees for cases or commissions on most of the cases they work on.

The CHAIRMAN. I hope it is not a fact that lawyers, most of them, are getting fees from both sides.

Mr. HOFFA. I don't think this was from both sides.

The CHAIRMAN. All right. Proceed.

Mr. HOFFA. I think he did extra legal work for the individuals that paid him.

The CHAIRMAN. You said you knew nothing about it at any rate?

Mr. HOFFA. That is what I said.

The CHAIRMAN. And he did not disclose that fact to you?

Mr. HOFFA. That is right.

The CHAIRMAN. Do you feel that he should have?

Mr. HOFFA. I think as close as we are, it wouldn't have hurt him to.

Senator IVES. I understand, Mr. Hoffa, that you have a welfare fund of which you are quite proud; is that correct?

Mr. HOFFA. It compares with the best.

Senator IVES. I think you testified about the fund at one of the earlier hearings, and in that connection I would like to inquire regarding the amount of that fund in dollars and what percentage is in personal investments of your own, and in speculations that you are connected with. I do not mean that you have a controlling interest in all of them.

Mr. HOFFA. Not a dollar, Senator.

Senator IVES. Not a dollar?

Mr. HOFFA. No.

Senator IVES. How much of the funds are in speculations of one kind or another, or developments, let us say?

Mr. HOFFA. Developments for whom?

Senator IVES. Real estate developments, for one thing.

Mr. HOFFA. Well, let me see. I think in the Michigan conference there is, I think, maybe three at this time.

Senator IVES. Three what?

Mr. HOFFA. Investments in real estate.

Senator IVES. How much do they amount to?

Mr. HOFFA. I would say probably, just off the top of the hat, one million and a half or one million and three-quarters.

Senator IVES. How much is your total fund?

Mr. HOFFA. Around \$5 million.

Senator IVES. On that basis, you have about 30 percent of your fund invested in what I would call utter speculations, is not that true?

Mr. WILLIAMS. He said real estate.

Senator IVES. Well, real estate in the sense——

Mr. HOFFA. We have a motel, and it isn't speculative.

Senator IVES. Is it operating?

Mr. HOFFA. Yes, sir.

Senator IVES. Is it making money?

Mr. HOFFA. Yes, sir, and payments are right up to date.

Senator IVES. Is all of that 30 percent in the black?

Mr. HOFFA. I say the payments on the motel are up to date, and I believe we have one apartment house which we have some money invested in, and payments are up to date, and it is making money. The only problem we ran into in the welfare fund was this particular loan here.

When I listened to the loan, and the arrangements that came out of this hearing, we are now in a process of adjusting that situation, and in my opinion at the end of 2 years we will have made a quarter or half a million dollars on the investment.

Senator IVES. Let me ask you this about that: That is under the laws of Michigan, is it not? I understand that is under the laws of Michigan.

Mr. HOFFA. What is that? What is under the laws of Michigan?

Senator IVES. You operate under the laws of Michigan, do you not?

Mr. HOFFA. That is right.

Senator IVES. Are not the laws of Michigan regarding trust funds and funds of that kind rather strict?

Mr. HOFFA. I understand they are. I am not a lawyer, but I understand they are.

Senator IVES. I think New York has some pretty good laws in that field.

Mr. HOFFA. I think we are about comparable to the situation in New York.

Senator IVES. And knowing a little bit about Michigan, I would think so. Now, in New York State you cannot possibly invest in that kind of property and have it legal under the laws of the State for trust funds.

Mr. HOFFA. I don't believe that is right, sir.

Senator IVES. Oh, yes, it is. They have a whole list of legal investments, and they are bonds and certain stocks, and where you can and cannot invest.

Mr. HOFFA. I don't believe it.

Senator IVES. I know something about the laws of New York State, and I do not think the laws of Michigan are much different. I think in that connection, I am just assuming now that in what you have done, you have been prudent.

Mr. HOFFA. What is that?

Senator IVES. You have been prudent, and I am giving you a compliment whether you like it or not, and it is unusual, coming from me.

Mr. HOFFA. I am familiar with the rules.

Senator IVES. I would suggest in matters of that kind you check your laws of Michigan and see that your funds are invested in places legal for trust funds.

Mr. HOFFA. I have checked them.

Senator IVES. Have you checked to make sure they are legal for trust funds under the laws of the State of Michigan?

Mr. HOFFA. That is right.

Senator IVES. That seems rather inconceivable to me. I do not think speculations are, and that development that we have been considering here certainly is a speculation—

Mr. HOFFA. No, sir.

Senator IVES. If there ever was one.

Mr. HOFFA. This was never a speculative investment when the loan was made.

Senator IVES. Well a speculative investment is nothing short than a speculation, and you can call it a speculative investment if you want to. I will not harp on this, but I was just curious to know how much of your money was in that kind of undertaking.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Just on the question of these loans, has the Central States Southeast-Southwest Trust Fund made a loan to the Castaways Hotel down in Florida?

Mr. HOFFA. Yes, sir.

Mr. KENNEDY. How much is that loan?

Mr. HOFFA. I think one million and a half, and again it is off the top of the head.

Mr. KENNEDY. \$1,500,000?

Mr. HOFFA. Don't hold me to this, and if you told me you wanted this, I would have given you a list.

Mr. KENNEDY. I believe it is \$1,250,000.

Mr. HOFFA. I know you have the figures, because Mr. Aporta was in our office for a considerable period of time. All of the books were made available to him, and I am sure you have the figures without me guessing at them.

Mr. KENNEDY. When was that loan made?

Mr. HOFFA. Again you have the figures, and I would estimate 2 years ago, but again you have the dates. I think there were two separate loans, weren't there?

Mr. KENNEDY. Two separate loans, and the first one was May 29, 1957.

Mr. HOFFA. That is right.

Mr. KENNEDY. \$750,000.

Mr. HOFFA. That is right.

Mr. KENNEDY. At 6 percent interest.

Mr. HOFFA. That is right, and currently it is paid up, and it is a property worth \$6 million for a first mortgage, at 6 percent, by the way.

Mr. KENNEDY. And \$500,000 was loaned on March 13, 1958.

Mr. HOFFA. That was for the new addition.

Mr. KENNEDY. Is that where the Teamsters stay when they go to Miami?

Mr. HOFFA. Some of them.

Mr. KENNEDY. And then the Cleveland Raceways, is there a loan?

Mr. HOFFA. \$1 million.

Mr. KENNEDY. To the Thistledown Raceways?

Mr. HOFFA. \$1 million at 6 percent.

Mr. KENNEDY. Thistledown and Cranwood Racetracks in Cleveland.

Mr. HOFFA. Just a minute. Let us clear this up. There wasn't any loan made to a racetrack. It was a real estate loan made, and in making the real estate loan there was a provision put in that the permit from the State to operate a racetrack had to be tied in where it would be used on the properties that we loaned the money on. So, it wasn't a racetrack loan. It was a real estate loan wherein they used the real estate for racing purposes.

Mr. KENNEDY. And to do some construction or pay off the debts of some of the construction of the racetrack?

Mr. HOFFA. It was a consolidation of construction loans we made into a single loan, properly secured and with collateral, and a \$4 million appraisal for the \$1 million loan.

Mr. KENNEDY. And the loan was to the Cleveland Raceways, Inc.?

Mr. HOFFA. I believe so.

Mr. KENNEDY. That was obtained in February of 1957, is that right?

Mr. HOFFA. Yes. Well now there are two of them, and there are two loans. Maybe you are right, there is one. This is the raceways, there is one loan of \$1 million.

I want to also say in this loan of the race track, Mr. Godfrey of the race track enterprise also signed a personal note for \$1 million and he is well worth over \$1 million himself.

Senator IVES. Is that raceway making money?

Mr. HOFFA. Nothing but.

Senator IVES. I know that most of them are, and I was just curious.

Mr. KENNEDY. We were talking before about the use of union funds, and you stated that you have had blanket authority to use the union funds as you see fit.

Mr. HOFFA. In my local union.

Mr. KENNEDY. What provision in your local union constitution gives you that?

Mr. HOFFA. It is in the bylaws. You have a copy of it.

Mr. KENNEDY. I do not happen to have a copy of it.

Mr. HOFFA. Otherwise, I have to say it is in the bylaws and also in the minutes.

Mr. KENNEDY. Maybe someone behind you has one.

Mr. HOFFA. You have it. It is in the minutes and in the bylaws.

Mr. KENNEDY. I just don't happen to have it.

Mr. HOFFA. I can only tell you it is in the minutes and the bylaws.

Mr. KENNEDY. Do you know where in the minutes and the bylaws?

Mr. HOFFA. If you show it to me—

Mr. KENNEDY. Maybe someone behind you has a copy of your constitution.

Mr. HOFFA. I don't have my bylaws and my minutes.

Mr. KENNEDY. Can you tell us what provision in your bylaws or your constitution gives that authority?

Mr. HOFFA. Out of memory I can't tell you what section or what article, but give me the bylaws and I will read it to you.

Mr. KENNEDY. When were the bylaws changed to give you the power?

Mr. HOFFA. When were they changed?

Mr. KENNEDY. Yes.

Mr. HOFFA. I don't think since 1952.

Mr. KENNEDY. Weren't they changed in 1954?

Mr. HOFFA. I don't believe so. They may have been, but I doubt it. If you have it there, let us see it.

Mr. KENNEDY. All I have, Mr. Hoffa, is some proposed changes to the bylaws, and I don't have all of your bylaws and I don't have the constitution.

Mr. HOFFA. I would like to see what is proposed. I don't think our bylaws were changed. They may have been, and if they were, I would be glad to go over them with you.

Mr. KENNEDY. Would you ask back there? Mr. Williams, would you find out if they have anything?

Mr. HOFFA. We didn't think this question was going to come up, and I didn't bring it with me. I know what I brought.

Mr. KENNEDY. Would you look at this, please?

The CHAIRMAN. The Chair hands you a letter dated March 5, 1954, from Mr. David Previant, whom I assume is your attorney, addressed to you, together with a letter of May 13, 1954, from you to him, and a list attached of proposed changes to bylaws of local 299, to which Mr. Previant's letter refers.

I will ask you to examine these and state if you identify them, Mr. Hoffa.

(A document was handed to the witness.)

Mr. WILLIAMS. Do you have any particular bylaw in mind?

Mr. KENNEDY. I am trying to find out about the provision dealing with giving him the authority to spend money.

The CHAIRMAN. Mr. Hoffa has testified that he has, as I understand his testimony, unlimited authority with respect to any expenditures or investments that he might make out of the funds of his union, local 299. Now, there is a letter or an exchange of letters together with a list of changes submitted by counsel for the local, changes in bylaws to give Mr. Hoffa apparently more power, submitted at the time the letters are dated.

Mr. HOFFA. I think you first have to take the letters, Senator McClellan, to see about the changes.

The CHAIRMAN. Just identify the letters so I can make them exhibits.

Mr. HOFFA. Yes, sir.

The CHAIRMAN. The two letters, and the attachment with proposed changes may be made exhibit 199.

(The documents referred to were marked "Exhibit 199" for reference and may be found in the files of the select committee.)

The CHAIRMAN. Now then, the letters may be discussed. I wanted to get them in the record.

Mr. HOFFA. You will note on May 13, 1954, I addressed a letter to Previant:

Enclosed find copy of old bylaws, local 299, plus additional sections and amended sections that you recommend that we have passed at our membership meeting so the bylaws could be redrafted to submit to the International Union. You will note we had the bylaws changed in the first meeting when we read off the amendments so this would only take two more meetings to approve the

amendments, and all of the meetings of local 299 have approved such action. I would appreciate it if you would revise the bylaws in the proper form for the printer. If there are any questions, please ask me.

Previant answered back, and this should have been read first. I am sorry.

I have been rechecking the bylaws of local 299 for the purpose of determining whether any amendments should be made at this time, particularly in view of the action taken by the executive board of the local union delegating further authority to the president of the organization respective to expenditures. I am attaching my recommendations hereto, and the important changes are underlined.

Then there is my letter back to him, and here are the original changes suggested by Previant here.

The CHAIRMAN. The question I think we were interested in was: Were the bylaws changed at that time to give you this authority, this extraordinary power?

Mr. HOFFA. On the second page, the middle of the page:

The president shall have the authority to disburse or order disbursement of all moneys necessary to pay the bills, obligation and debts of the local union, including such amounts which in his judgment would further the best interests of the union subject to approval of the executive board.

Then it goes on down and it talks about the secretary-treasurer, and then again there was a change added:

The president may take such action as in his judgment will further the best interests of the union, which action shall include but not be limited to the expenditures of money for such purposes subject to the approval of the executive board. Such action may include aid or assistance, monetary or otherwise, to such other persons or organizations which the president may feel are deserving of such aid in the best interests of the labor movement.

Now, when I talk about, "I have the authority," my executive board meets in January of each year, after having a financial report made to the membership, and they concur in the expenditures made for the prior year and authorize me to operate the union in the same fashion that I operated it in the past, and the executive board meets and gives me the authority to carry out the expenditures of money without calling the board into session unless it is a special or particular instance, and I carry on the business of the union, and I have for a number of years.

The CHAIRMAN. What I wanted to ascertain was: Were those amendments adopted, as recommended?

Mr. HOFFA. Yes; and they are in book form and are available to any member that desires a copy, and we have membership meetings, and we have them on the desk with the international constitution and our bylaws, and a copy of the annual report, they can have if they desire.

The CHAIRMAN. Was that in 1954?

Mr. HOFFA. Yes; this was true likewise beyond that date, but the amended one is 1954.

The CHAIRMAN. That is what I mean. That is when the amendments were made, in 1954?

Mr. HOFFA. Yes, sir.

The CHAIRMAN. Prior to that time, you did not have such authority?

Mr. HOFFA. Yes; I had the authority.

The CHAIRMAN. Why was it necessary then to revise the bylaws and amend them?

Mr. HOFFA. There was some question concerning—and it is too bad we don't have the old bylaws here, and maybe I can answer in just a moment if I look again at this thing.

I think the answer is this: If you look on page 3, you will find that—

The president may take such action as in his judgment will further the best interests of the union members, which action shall include but not be limited to the expenditures of money for such purposes, subject to approval of the executive board.

Now, for clarification purposes, as to what the question of expenditures of money meant, the attorney added the words:

such action may include aid and assistance, monetary or otherwise, to such other persons or organizations which the president may feel are deserving of such aid in the best interests of the labor movement.

The CHAIRMAN. That is the purpose of the amendment? That was the extraordinary power?

Mr. HOFFA. I don't think it actually spelled out any additional power, and I think it simply clarified the power as mentioned above in the second paragraph on page 3.

(Members of the select committee present at this point in the proceedings: Senators McClellan, Ives, and Church.)

The CHAIRMAN. To clarify the power as you had previously been exercising it?

Mr. HOFFA. And as we believed was the interpretive right under this section approved by the membership.

The CHAIRMAN. Some question arose about it, obviously, or there wouldn't be a question about your counsel suggesting the changes.

Mr. HOFFA. No; I don't think so. If you look at the Labor Board decisions, court decisions, many times it makes it necessary to change your bylaws which you wouldn't have had occasion to change if it hadn't come out of the Labor Board.

The CHAIRMAN. I say that something arose which prompted the change.

Mr. HOFFA. I thought you meant within the union. You are right.

The CHAIRMAN. I don't know whether in the union or outside. But something arose to prompt your counsel, alert to his responsibilities, I assume, to suggest the change.

Mr. HOFFA. You are right, sir.

The CHAIRMAN. Senator Ives.

Senator IVES. I would like to ask, Mr. Hoffa, about this attorney, Mr. Previant. Did he represent you personally?

Mr. HOFFA. No; he represents the union, sir. He has represented me personally, too.

Senator IVES. Does he represent you as well as the union or does he represent both of you? In this instance, who was he representing, you or the union?

Mr. HOFFA. The union, sir.

Senator IVES. It occurs to me in that extension of your bylaws by which you were given almost the absolute power over the expenditures and use of money, that the welfare of the members themselves is being highly disregarded. Instead of doing something in extending your bylaws and modifying your bylaws to protect further the members of your union, what you have done with these changes is to go in ex-

actly the opposite direction. Isn't that right? You wanted more power.

Mr. HOFFA. No; I don't agree that it is right, Senator.

Senator IVES. It may not be right to do. No; I am not talking about that. If that is what you mean by that statement, I agree with you.

Mr. HOFFA. I don't mean that it isn't a protection for the membership.

Senator IVES. To have all this power put in your hands without their having anything to do with it?

Mr. HOFFA. Yes; I think so, and I will tell you why.

When we have an executive board meeting, or I make a decision, or I spend money, it is reported back to the membership, either by minutes or by a form of expenditure to the Government, where they have a right to accept or reject my actions.

Senator IVES. After you have taken it. That is like locking the barn after the horse has been stolen.

Mr. HOFFA. So far the horse hasn't been stolen, and they are happy. They are happy with it, Senator.

Senator IVES. I hope they are. I simply wanted to point that out.

Mr. HOFFA. Remember, Senator, the membership at 3 meetings, not 1, but at 3 meetings, had the bylaws read to them, and approved these bylaws. You know, there is such a thing, Senator, and sometimes a lot of people don't want to believe it, there is such a thing that union members are smart enough to run their own business.

Senator IVES. I never questioned in my life about union members being smart enough to run their own business. I never raised that point. The point I do raise is they aren't interested enough to run it.

Mr. HOFFA. That isn't true.

Senator IVES. Well, a lot of them aren't. That is one reason——

Mr. HOFFA. I will call a membership meeting in Detroit, and I will have there thousands of people, and I will debate this issue with anybody here, in front of my membership, take a vote when it is over, and I will abide by the vote of my membership in 299. I say mine, because I am a member of 299.

Senator IVES. That may be true in your own union, your own local.

Mr. HOFFA. I will be very happy to do it to clear up this question.

Senator IVES. I am not disputing your power as to your own local.

Mr. HOFFA. What local do you want me to have a vote in?

Senator IVES. You look at the unions in this country, and the great cause of our being in the condition we are, with respect to gangsterism, racketeering, and so forth, that has gotten into them, is due to the fact that the union members as a whole aren't taking enough active interest in them.

Mr. HOFFA. Senator, we try to get as many members to the meetings as possible. I agree with you that the better attendance the membership is, the stronger the union. I recognize something else which you probably don't recognize. That members today, working an 8-hour day and a 40-hour week, have time to themselves for the first time in their life, and, likewise, they have other things to do in connection with their recreation facilities, and their families, which keep them from attending meetings. But they do one other thing which you overlook. The membership reserves the right to elect

stewards and committeemen. If you will come to one of my meetings, and I extend an invitation to you——

Senator IVES. You have before. I appreciate it.

Mr. HOFFA. If you will come to my meeting, you will find that for almost every company we represent, the steward or the committeeman is at that meeting. When he is there, he is speaking for that entire group of employees of the employer that belong to our union, and bringing the complaints to our membership meetings, to be corrected, if any.

In addition to that——

Senator IVES. You are talking about 299?

Mr. HOFFA. That is right, sir. In addition to that, he takes back to this particular company the results of that meeting. If you know anything about truckdrivers at all, you will know that you may have 50 men at a meeting when there isn't anything of importance on the street or any problems. But you let a rumor or a whisper be on the street about anything that affects their contract or them personally in regards to their union, and you better have a hall to hold 90 percent of your members. They will be there.

Senator IVES. That is based on your experience with 299.

Mr. HOFFA. My local, that is right. And I am only responsible for my local.

Senator IVES. My knowledge of truckdrivers is not too extensive, but what I know of them leads me to believe they are very honorable men individually. I know of no profession where the individuals are higher in character than they are in that profession of truckdriving.

Mr. HOFFA. Thank you. We agree with you.

Senator IVES. That does not always apply to the officers, however.

Mr. HOFFA. I want to say to you that maybe your judgment isn't shared by the people you claim are honest——

Senator IVES. Look at the witnesses we have had before us.

Mr. HOFFA. And I will say further to you that I am going to a meeting Friday night of an individual that was here before this committee and took the fifth amendment, a special-called meeting. I am going to discuss his entire testimony in front of this committee, page by page, question by question, in that membership meeting.

He is going to have an opportunity to explain his position. Then we are going to take a vote of that membership to determine their position in regards to his right as a free American citizen to exercise his right under the fifth amendment, or whether or not they believe, as apparently this committee believes, that certain officers of unions are not entitled to the full American constitutional rights they were born with.

Senator IVES. I don't think that is the way to put the question at all. I think the fifth amendment has been greatly abused before this committee.

Mr. HOFFA. They will have a right to vote whether or not it was proper in this instance.

Senator IVES. If you state it properly, they will vote properly.

Mr. HOFFA. Why don't you come down and state it?

Senator IVES. Where is it?

Mr. HOFFA. Cleveland, Ohio.

Senator IVES. I can't make it.

Mr. HOFFA. I will set the date up to where you can make it.

Senator IVES. Can you move it to New York?

Mr. HOFFA. I will be happy to see that you get there, and I will change it to your convenience.

Senator IVES. I have an appointment on that date.

Mr. HOFFA. I will change the date.

Senator IVES. We will get together on that.

Mr. HOFFA. I will call at noon, and cancel the meeting, and call it at your convenience. I want you to get the reaction of Teamsters.

Mr. KENNEDY. Mr. Hoffa, I have just a few last matters.

Mr. Allen Dorfman is the broker in the insurance, is he not?

Mr. HOFFA. He is the agent.

Mr. KENNEDY. The agent on the insurance. Now, prior to that being awarded to his company, did you assure Allen Dorfman or Paul Dorfman that you would do everything in your power to give the insurance to the Union Casualty Co.? That is the question.

Mr. HOFFA. I would like to have just a moment, please.

Mr. KENNEDY. Did you, prior to the contract being awarded, did you assure Allen or Paul Dorfman that you would do everything in your power to give the insurance to the Union Casualty Co.?

Mr. HOFFA. I told Allen Dorfman and Doc Perlman, that if they were competible with the other companies who were going to submit their bids, they would get the business. If they couldn't meet the competition, they wouldn't get the business.

Mr. KENNEDY. You didn't assure them that you would help and assist them to get the business?

Mr. HOFFA. There was no help or assistance promised by me. It was a question of them presenting to the committee the proper proposal, and if it met the qualifications and was on a competible basis, they would get the business.

If you care, it might be of interest to this committee, Mr. Chairman—

Mr. KENNEDY. I just want to get the answer to the question. You did not assure them that you would help and assist them to get the business?

Mr. HOFFA. If you want to call help and assistance, I told them that if they were in a competible position that I would try to get for them the insurance business. But only if they were competible.

I have here, Mr. Chairman, if we are going to go into welfare, a summary of the history of the welfare plan, which may enlighten the Senators concerning this problem and bring them up to date without having confusion cast on our welfare fund.

The CHAIRMAN. That document, if you care to submit it as such, may be made exhibit No. 200.

(The document referred to was marked "Exhibit No. 200" for reference and may be found in the files of the select committee.)

Mr. HOFFA. I have one for each Senator.

The CHAIRMAN. I am making it an exhibit, so it can be official, since you submitted it.

Mr. HOFFA. Here are four copies also of the Michigan conference which involves Allen Dorfman, as well as the central conference.

The CHAIRMAN. That copy may be made exhibit No. 200-A.

(The document referred to was marked "Exhibit No. 200-A" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. Mr. Hoffa, we had some testimony also before the committee regarding certain investigations that were conducted by the Teamsters or by the attorneys of the Teamsters. One of the investigations was into a credit check on the jurors in the trial down here in Washington.

Could you tell the committee why that was done?

Mr. HOFFA. I suggest you ask the lawyers. It was a legal proceeding.

Mr. KENNEDY. Who was that suggested by?

(The witness conferred with his counsel.)

Mr. HOFFA. I am trying to find out from the lawyers, and it was brought up in a lawyers' meeting. There doesn't seem to be any clear opinion from the lawyers exactly who suggested it.

Mr. KENNEDY. It was a decision by your lawyers that it be done?

Mr. HOFFA. It necessarily would be.

Mr. KENNEDY. Did they discuss it with you?

Mr. HOFFA. Certainly.

Mr. KENNEDY. Could you tell us what the reason was to make the check on the jurors?

Mr. HOFFA. Well, I think we are entitled to know whether or not a person is antiunion, union, or whether or not he is a respected person, whether he has been a strikebreaker, if possible, whether he is an antiunion employer, an employer who had a strike. I listened very carefully to Mr. Williams' questioning of the prospective jurors, and he asked several questions, of very much importance to a labor leader on trial, as to whether or not the person ever had a strike, participated in one, whether or not he was antiunion, whether he was pronoun, and about a hundred other questions.

Mr. KENNEDY. This was just part of the check on the jurors, was it?

Mr. HOFFA. That is right.

Mr. KENNEDY. Did Mr. Fishbach continue to work for the Teamsters after March or April of 1957?

Mr. HOFFA. I think he finished up some business.

Mr. KENNEDY. What was he doing for the Teamsters?

Mr. HOFFA. Offhand I can't tell you.

Mr. KENNEDY. How much money did the Teamsters Union pay him?

Mr. HOFFA. I can't tell you that either. You have the records.

Mr. KENNEDY. We have that he received from the Central States Drivers Council, \$5,000 on February 23, 1957. In the middle of April—

Mr. HOFFA. I think that was the initial payment.

Mr. KENNEDY. In the middle of April 1957 he received \$4,637.75 from joint council 43, and in the end of 1957, from the Central States Drivers Council, \$5,124.79, making a total of \$14,762.54.

What was he doing for the Teamsters for that latter part in the end of 1957?

Mr. HOFFA. I don't know. Just a moment.

(The witness conferred with his counsel.)

Mr. HOFFA. I am told that it was the catchup of the payments of work that he had done previous to the time the checks were issued. In addition to that, he went over the operations of our union, made some suggestions.

Mr. KENNEDY. What sort of operations?

Mr. HOFFA. The question of the total operations of our union, the way a man joins, how he comes in, and so forth.

(The witness conferred with his counsel.)

Mr. KENNEDY. He was making that kind of a check?

Mr. HOFFA. This, I understand, was cumulative prior to the trial, and we paid him after. That is what I understand.

Mr. KENNEDY. What experience had he had along those lines prior to that time?

Mr. HOFFA. To do what?

Mr. KENNEDY. In this field.

Mr. HOFFA. To do what?

Mr. KENNEDY. Well, whatever he was doing.

Mr. HOFFA. Well, he was a lawyer.

Mr. KENNEDY. Checking on people coming into the union and that kind of thing?

Mr. HOFFA. The question was we asked him, and he had some experience, I understand, the same as you are learning to have as the chief counsel, that he had had some experience in that operation, and we asked him to check into our bookkeeping system, and the operation of our union so we would be in a position, recognizing that eventually we would have to be called upon, as we are here now today, on our operations.

I think he simply looked it over, asked questions, made recommendations, and I believe worked with Fitzgerald on some questions of law.

Mr. KENNEDY. Did he ever remove any of the records from the union?

Mr. HOFFA. Not to my knowledge.

Mr. KENNEDY. Did you ever instruct him to remove any records or destroy any records from local 299?

Mr. HOFFA. Of the union?

Mr. KENNEDY. Yes.

Mr. HOFFA. I did not.

Mr. KENNEDY. Did you ever instruct anyone to destroy any records after they had been subpoenaed?

Mr. HOFFA. After they had been subpoenaed? No.

Mr. KENNEDY. Excuse me.

Mr. HOFFA. The ones that had been called by the subpoena, no.

Mr. KENNEDY. Did you ever instruct anyone to destroy any records in connection with an investigation that was being made?

Mr. HOFFA. During the investigation?

Mr. KENNEDY. Yes; in connection with an investigation.

Mr. HOFFA. Nope.

Mr. KENNEDY. You never told anybody to destroy any records?

Mr. HOFFA. Nothing.

Mr. KENNEDY. Mr. Hoffa, on the question of the investigation into individuals, I have just a final question. Have you instructed an investigation to be made of any of the monitors?

Mr. HOFFA. Have I?

Mr. KENNEDY. Yes.

Mr. HOFFA. I don't need to. They are pretty well known publicly. You don't need to make any.

Mr. KENNEDY. Have you instructed any investigation to be made of any of them?

Mr. HOFFA. No. Why should I?

Mr. KENNEDY. Specifically, did you or a representative of yours, go to an investigative agent here in Washington, D.C., to have an investigation made of Mr. Godfrey Schmidt?

Mr. HOFFA. Well, if they did, I didn't know about it.

Mr. KENNEDY. When that agent turned it down, did you approach or have a representative—

Mr. HOFFA. I turned it down, do you say?

Mr. KENNEDY. Mr. Godfrey Schmidt.

Mr. HOFFA. Did you say that I turned it down?

Mr. KENNEDY. No. I say after the first investigative agent turned it down, did you approach or have a representative of yours approach, a second investigative agent to have them conduct an investigation of Mr. Godfrey Schmidt?

Mr. HOFFA. Just a minute. Let us see what you are talking about. I don't know. Just a moment. Maybe somebody can enlighten me.

He says did I have somebody do it. Somebody may have did it—

The CHAIRMAN. The question is: Did you personally or did you have someone representing you or representing your union go to an investigative agency to try to arrange with it to investigate Godfrey Schmidt?

Mr. HOFFA. I say I would like to check with the lawyers, Senator, because it may have come up in a discussion in an offhand way. But I don't recall at this moment.

I may get you your answer.

The CHAIRMAN. You may discuss it with your lawyer, and the next question will be, and you can discuss that, too: Did the first agent turn it down, and did you go to another?

Mr. HOFFA. I have to find out first what we are talking about.

(The witness conferred with his counsel.)

Mr. HOFFA. There is a motion going to be filed to remove him for conflict of interest, but I personally don't know of any investigation that was made. Nobody consulted me with it.

The CHAIRMAN. The question is: Did you personally, or did anyone representing you, within your knowledge, go to an investigative agency—here in Washington?

Mr. KENNEDY. Yes. I think a telephone call was made, and the investigative agent on one instance came to the office of the attorneys, and in the other instance came to the Teamsters building.

Mr. HOFFA. Well, you got me.

Mr. WILLIAMS. Could you fix the date of that, Mr. Kennedy?

The CHAIRMAN. Within the last 2 months. We will put it that way.

The question is: Did you or anyone at your request or with your knowledge, representing you or representing the union, contact an investigative agency with a view of enlisting its services to investigate Godfrey Schmidt?

Mr. HOFFA. I didn't. And I don't know of anybody who did. I will have to put it that way.

The CHAIRMAN. You did not?

Mr. HOFFA. I didn't.

Mr. CHAIRMAN. And you know of no one who did?

Mr. HOFFA. It hasn't been brought to my attention, Senator.

The CHAIRMAN. All right. That would apply also, too, if the first one turned it down, whether you contacted the second one, in either instance?

Mr. HOFFA. I really don't know what we are talking about. I will have to say "No." I will say this, that Godfrey Schmidt is so well known that I don't know why anybody would want to investigate him.

The CHAIRMAN. Could be.

Is there anything further?

The committee stands in recess until 2 o'clock.

(Thereupon, at 12:35 p.m., the select committee recessed, to reconvene at 2 p.m., the same day.)

(Members of the select committee present at the taking of the recess were: Senators McClellan, Ives, and Church.)

AFTERNOON SESSION

The committee reconvened at 2 p.m., upon the expiration of the recess.

The CHAIRMAN. The committee will be in order.

(Committee members present in the hearing room: Senators McClellan and Ives.)

TESTIMONY OF JAMES R. HOFFA—Resumed

The CHAIRMAN. Mr. Hoffa, I understand you wanted to make some clarification of your testimony this morning.

Mr. HOFFA. Yes, I did, but I wonder if Mr. Williams could make the clarification, because it involves actually the lawyers in handling a situation which I was unaware of.

The CHAIRMAN. We have to keep sworn testimony here, and you confer with Mr. Williams, and you can give his version of it as you understand it.

Mr. HOFFA. Senator, I made a response that I knew nothing about the question of hiring investigators, nor did anybody who worked for the Teamsters, I believe, to that extent. At lunch it bothered me, and I went back to the building and I was inquiring around as to what brought that question about, and I found out that there was a meeting in our building with the lawyers concerning the question of challenging the bills or expense account that had been submitted by Mr. Schmidt.

The CHAIRMAN. Challenging expense accounts submitted by whom?

Mr. HOFFA. By Mr. Schmidt to us, the Teamsters. One of the lawyers had brought along an investigator named Mr. Bob Mahen, whom I thought was a lawyer in the meeting, as well as sometimes doing investigative work for lawyers, and they discussed the question of challenging the bills that had been submitted by Schmidt.

I came in late to the meeting, but I find out the question was involved in investigating those bills, so that Mr. Williams, our attorney,

could go to court and present his arguments as to why we should not pay the expense accounts as they were.

The CHAIRMAN. That is the expense account of one of the monitors?

Mr. HOFFA. Yes, sir.

The CHAIRMAN. Who was submitting expense bills to the union for payment?

Mr. HOFFA. That is correct. Then I found out later on that Maheu wasn't engaged but that there is still under consideration, and in connection with the bills, they are filing some sort of a motion with the court, and they are now contemplating and have discussed with people in New York the question of investigating further the claims that are made by Schmidt and what other matters they may deem necessary for the trial.

The CHAIRMAN. Who was present at the meeting, Mr. Hoffa?

Mr. HOFFA. Again I will have to give you this. We tried to put our heads together, and if I leave somebody out, it isn't because it is intentional, and it is because the meeting was one of those things. There was Edward Cheyfitz, George Fitzgerald, this fellow Maheu, Moss Herman, Jack Cunningham, and that is the best we can put it together.

They were present. I don't think anybody else was there, and it was in our building in the lunchroom that we had the meeting.

Senator IVES. I wanted to ask Mr. Hoffa if his contention is that the charges made by Mr. Schmidt are excessive. Is that right?

Mr. HOFFA. That is right.

Senator IVES. There is nothing dishonest about them, just excessive. I happen to know Mr. Schmidt pretty well, as probably you know.

Mr. WILLIAMS. I would hope you wouldn't ask questions that would produce evidence in this hearing which should properly go before the court, because I don't think we should air charges against Mr. Schmidt here.

Senator IVES. I think that you are right.

Mr. WILLIAMS. I hope you won't pursue it.

Senator IVES. I respect your wishes.

The CHAIRMAN. Mr. Hoffa has stated that he now, upon inquiry, recalls that possibly at a meeting in the Teamsters Union a Mr. Maheu was there, who he learns possibly was an investigator, in the investigative field, and there was discussion at least with respect to investigating expense accounts being submitted by Godfrey Schmidt.

Mr. HOFFA. And then the second fellow.

The CHAIRMAN. And since Mr. Maheu did not accept the assignment, further discussion was had, or some other arrangements made seeking to procure the services of an investigating agency in New York.

Mr. HOFFA. With the lawyers, and I had no part of that investigation or that discussion.

The CHAIRMAN. You were present?

Mr. HOFFA. Not at the second one, Senator.

The CHAIRMAN. You were at the first?

Mr. HOFFA. Yes, sir.

The CHAIRMAN. But you understand it was pursued since Mr. Maheu did not accept the assignment?

Mr. HOFFA. Yes, sir.

The CHAIRMAN. With a view of procuring maybe an agency in New York to make such investigation?

Mr. HOFFA. That is correct, Senator.

(At this point, Senator Church entered the hearing room.)

Mr. KENNEDY. Was there also going to be an investigation generally of Mr. Schmidt and his financial transactions?

Mr. HOFFA. I did not understand that to be the fact. It was not the meeting that I was at.

Mr. KENNEDY. That was not discussed with the investigator while you were there?

Mr. HOFFA. I don't recall it. As a matter of fact, Senator, I was on and off the telephone handling my own business, and the lawyers were handling it, and maybe that is one of the reasons it slipped my mind, and there could have been discussion that I don't have in mind concerning what happened at that meeting, but I didn't even recall the meeting until I got back to the building and inquired whether there was such a meeting. Because Mr. Kennedy said that one of meetings took place in our building.

The CHAIRMAN. That is the one you attended?

Mr. HOFFA. Yes.

The CHAIRMAN. Or you were present there.

Mr. HOFFA. Yes, sir.

Mr. KENNEDY. Who brought Mr. Maheu over there?

Mr. HOFFA. I don't want to get held to this, but I believe Mr. Ed Cheyfitz, because I wasn't there when they came in. The meeting was in progress when I came in.

Mr. KENNEDY. Have the Teamster used Mr. Maheu on other occasions?

Mr. HOFFA. Just a moment.. Not that I know of.

(The witness conferred with his counsel.)

Mr. HOFFA. Our attorney, Mr. Williams, is of the opinion that former President Beck may have used Maheu for an investigation.

Mr. KENNEDY. What was that in connection with?

Mr. HOFFA. I don't know. I just gathered that from Mr. Williams.

Mr. KENNEDY. Can you find that out from Mr. Williams, too?

Mr. HOFFA. I don't know if he knows.

(The witness conferred with his counsel.)

Mr. HOFFA. I understand that former President Beck thought his apartment wires were tapped and that he engaged Maheu to try and find out whether or not they were. Again I think both of these are coming from something that we can't positively say.

Mr. KENNEDY. Has he been used on any other occasion?

Mr. HOFFA. I don't know.

(The witness conferred with his counsel.)

The CHAIRMAN. Have you used him since you became president?

Mr. HOFFA. I haven't used him.

The CHAIRMAN. You know of no one in your organization that has used him for union purposes and he was being paid by the union since you became president?

Mr. HOFFA. No; I don't know of any instance where he was ever used.

The CHAIRMAN. The Chair might make this observation about it. This committee would certainly not at the moment be interested one

way or the other in the expense accounts Mr. Schmidt has submitted, because I am quite sure they are under the jurisdiction of the court that appointed the monitors, and it would be the province of the court to determine the reasonableness or unreasonableness of those expense accounts.

At the moment this committee would have no interest in the subject matter. All right.

Mr. KENNEDY. Did you have an investigator or get an investigator to look into Barney Baker's expense accounts when that was brought to your attention?

Mr. HOFFA. No, I told you I didn't.

Mr. KENNEDY. Did you ever hire an investigator to look into any of the improper activities of any of your union officials?

Mr. HOFFA. They were not involved in a question of expense accounts that dealt with a court order.

Mr. KENNEDY. What I am asking you is if you ever got an investigator to look into any of the improper or criminal activities of any of your union officials?

Mr. HOFFA. I did not; not that I can ever recall.

Mr. KENNEDY. Just in that connection, are you going to take any action against Mr. Triscaro, or do you plan to do anything against Mr. Triscaro?

Mr. HOFFA. I said this morning that I was going to Mr. Triscaro's meeting Friday night, at a specially called meeting of his membership, to take the entire proceedings that took place here and read the questions and answers to the members assembled. I will discuss the question, and Triscaro will discuss the question, and we will let the members make a decision concerning Triscaro's actions here at this committee meeting.

Mr. KENNEDY. Are you personally going to take any action to have him removed as a union official in view of the testimony before the committee?

Mr. HOFFA. I will decide that after I have gone into the facts concerning the alleged arguments here the other day.

Mr. KENNEDY. Do you disapprove of the union officials having an interest in the trucking company?

Mr. HOFFA. I positively will never agree that it is immoral or improper for a person to have outside interests as long as it does not affect his collective bargaining.

Mr. KENNEDY. Well, what if the outside interest is such that the company has a contract or should have a contract with the union which this official represents?

Mr. HOFFA. If they were paying the standard wage, hours and conditions, and complying with the contractual relationship that other employers had to comply with, I would look into the question. But if it was proper would not find any fault with it, because in many instances it is educational and beneficial to the members for a business agent to be able to know as much or more about the employer's business at the bargaining table than the employer. And the only way he can find out the practices of an employer or the operations of an employer is to actually find that he has to meet a payroll. Then he becomes pretty well educated as to the responsibilities that he has not only to getting wages, hours, and conditions for his

members, but the responsibility of not putting the employer out of business and having the employees without a job.

Mr. KENNEDY. So you sort of encourage your officials to get into these businesses?

Mr. HOFFA. I don't encourage them; they didn't ask me. But I think now that you have brought it up it should be a matter of record that Triscaro disposed of his operations concerning the question of a trucking concern that was engaged in the business that his local union's charter covered. He disposed of it.

Mr. KENNEDY. It was in his brother's name. The trucking company was disposed of, and he received the money.

Mr. HOFFA. In his brother's and in his wife's name. I didn't know the total sales price and I don't know the arrangements, but I know that he disposed of it, based upon what was said here, and is out of that business, so he has no conflict of interests, if you want to call it as such, in regard to his local union at the present time.

Mr. KENNEDY. Well, there were three or four, I believe, trucking companies. That was one of them.

Mr. HOFFA. I think if you will check into it, it is all tied in to one situation, and I intend to ask Triscaro to be ready to discuss with the membership the total connection of the various units mentioned here in regard to that particular truck company.

Mr. KENNEDY. Are you going to hire an investigator to see whether there was a contract or whether the contract was lived up to in this case?

Mr. HOFFA. Well, I intend to be at the meeting personally. The drivers who drove those trucks will be there. If they have any complaints I will accept their complaints, check into them and do whatever is necessary to correct them.

Mr. KENNEDY. I just want to find out whether you are going to hire an investigator to find that out.

Mr. HOFFA. If I find it necessary I wouldn't hesitate to.

Mr. KENNEDY. Do you plan now to?

Mr. HOFFA. At this moment, there isn't any need, because I have no reasons to believe that I will not be able to uncover whatever is necessary in this particular meeting tomorrow night.

The CHAIRMAN. Have you any questions, Senator?

Senator IVES. Yes; I want to ask Mr. Hoffa a question.

As I recall when Mr. Triscaro was before us, he took the fifth amendment, consistently, all the way through.

Mr. HOFFA. Yes.

Senator IVES. I am not discussing the right or lack of right to take the fifth amendment. I just want to make the comment that I cannot understand why he would take the fifth amendment consistently and why you, yourself, never take it.

Mr. HOFFA. Well, Senator, I didn't want to say this, but you brought it up—

Senator IVES. I am disturbed about you in all of this thing. These people are taking the fifth amendment all the time, where you are involved, and giving you kind of a black eye.

Mr. HOFFA. I discussed this problem with both Mr. Presser and Mr. Triscaro after they came off of the stand, and wondered somewhat myself. But their position was that they had a right, without

my consent, to do what their conscience dictated, and that they would be responsible to their membership if they did anything contrary to the desire or the pleasure of their membership.

So it is very difficult for me to be able to have any control over a situation which is their individual right and determination.

Senator IVES. Do they not have any regard for you?

Mr. HOFFA. Senator, sometimes it becomes necessary to regard yourself over and beyond anybody else, I suppose.

Senator IVES. Well, that is very true. Nobody can get around that, when exceptional cases arise, but here is a situation where you, yourself, apparently are perfectly willing to talk freely and where Mr. Triscaro was not. I cannot understand it.

Mr. HOFFA. I can't either.

Senator IVES. Well, I wanted to point that out. They are doing you a great disservice.

Mr. HOFFA. I would like also, Mr. McClellan, to have in the record one more name to the list we submitted the other day. Anthony "Ducks" Corallo has severed his relationship with the Teamsters Union. I would also, if you please, Mr. Chairman, like to have Mr. Kennedy give me the names that he claimed I had left off of the list that I submitted here so we can further check into it and make a report without looking as though we were trying to pick certain particular localities, but give you the overall picture.

Mr. KENNEDY. We are in the midst of preparing the list. We will have it ready for you tomorrow morning.

The CHAIRMAN. In the meantime, how about this fellow Presser: He impressed me as being quite a character. Will you keep him?

Mr. HOFFA. Yes, sir: I certainly will.

Bill is a very capable organizer, a very capable administrator. I believe you will find that the unions and the membership in Ohio have a high regard for Presser's honesty and integrity.

The CHAIRMAN. How can you justify keeping a man when asked about the finances of a union and by a tribunal that has the jurisdiction, authority, and duty to inquire into it—how can you justify keeping a man that cannot answer questions without incriminating himself about the handling of union funds?

Mr. HOFFA. Senator, he will have to answer that question himself, not only here, but our committee set up for this purpose—

The CHAIRMAN. He did not answer here.

Mr. HOFFA. I said he would have to. I didn't say he did. He will have to answer that question himself.

Also, our committee set up to handle these problems will also have an investigation of that particular situation along with other problems.

The CHAIRMAN. That is one of the very things we have pointed out, that unless this trend is checked, you are undertaking to set up a supergovernment in this country. You come up here and defy, in a sense, the constituted governmental authorities when they have a duty to inquire into these things, you go out and set up a commission of your own and say, "Well, we are going to look after it ourselves. We will take the fifth amendment when we come up before you."

Mr. HOFFA. Senator, I think if you will look around you will find that other unions, besides the Teamsters, have arranged for the same

type of process, of grievance process for complaints, process of individuals. I haven't heard anybody complain about that situation.

The CHAIRMAN. I am not justifying or vindicating the action of any other union wherever it conflicts with these concepts that I am expressing. I would condemn another union just as quickly as I would yours. The Teamsters is no anathema to me as such. It is the practices that I may regard as improper and such things as that that I seek to find an answer to and to correct. But I just cannot understand, unless you do feel and unless the whole attitude is that "We are going to put ourselves above and beyond the reach of the law and be a government of our own and run our own affairs. What we do is nobody's business."

Yet you get the sanction of Government for collective bargaining that carries with it a trust and responsibility and an obligation to the union member who, in many instances has to join and has to pay his dues, or otherwise they do not eat. I think this has become the crux of this investigation. The problem that confronts our Government is: Your union is going to be immune, can they set up their own government, can they be super to the Government of our country, and can they defy it and say, "You have no authority over us." I think it is serious. I really think it is serious.

I am not trying to lecture you. I am pointing up here in the record just the situation as it is impressing me in these hearings.

Mr. HOFFA. Senator, I would like to send over to you, and I think you will appreciate it when you see it, a compilation of bylaws of various large international unions in the United States, where we have compared our constitution and our procedure to those large international unions. And after investigating it, I think you will have to agree that far over and above constitutions of the other international unions, our constitution is a model constitution. I will be happy to send it over to you so you can have an opportunity to look it over.

The CHAIRMAN. I think we have a good many constitutions. I am not comparing your constitution with others, whatever they provide. Yours may be as good as theirs. No constitution is better than the enforcement of it.

Mr. HOFFA. There is no question about that.

The CHAIRMAN. I have pointed that out here before. I just can't understand the position, though, when those who can give us information, who are under your jurisdiction, come up here and take the fifth amendment. They are retained and they go right on. But that is your viewpoint, that they are entitled to it. I am entitled to disagree with it. I think Congress is entitled to disagree with it, and probably will. I think the American people generally do not appreciate that attitude.

Senator Ives?

Senator IVES. I would like to ask Mr. Hoffa, who are the members of this committee to whom he refers?

Mr. HOFFA. Ex-Senator Bender, Judge Jayne, who was chief justice for a long number of years in the circuit courts of Michigan, and Mr. F. J. Donohue, of Washington, D. C., a prominent lawyer, and who I understand was a commissioner.

Senator IVES. I would like to ask you who pays the members of this committee?

Mr. HOFFA. Necessarily we would have to pay them.

Senator IVES. What salary do they get for compensation?

Mr. HOFFA. They will get \$250 a day for their compensation.

Senator IVES. Do you mean every day or when they are actually working?

Mr. HOFFA. When actually working, Senator, and they expect to work a very limited number of days a month.

Senator IVES. In that connection—and of course the question I raise is that I cannot see how anybody that is being paid by you, and I say you advisedly because I am assuming you are paying them as head of the union—

Mr. HOFFA. You can assume wrong, because the union is going to pay them, not Hoffa.

Senator IVES. All right. I cannot understand why you are opposed to the Kennedy-Ives bill, which actually does, by law, what I assume you anticipate that this committee is supposed to do.

Mr. HOFFA. Senator, I don't want to get into a long discussion. We have a lot of work.

Senator IVES. I don't want to discuss the whole bill with you, but you are opposed to the bill and have been right along, and I have been wondering why. All these other labor leaders of these great unions to which you have been referring have been favoring that bill.

The only other one who has not has been Mr. Lewis.

Excuse me for interfering.

Mr. HOFFA. The administration of a law once passed by Congress becomes very flexible, according to the administration that administers the law. I have had my experience with Taft-Hartley, the Wagner labor law, and various other laws passed by State and Federal legislatures. I have never yet found that the law meant the same thing when you changed the chairman of the Commission or changed the structure of the political party that controlled the selection of the committee. So I am opposed to a law which could be passed in all good conscience and faith for the benefit and protection of the working people and the unions of this country, but I am opposed to the fact that some administrator can change the effect and the intent of the individuals who passed the law, and could very conceivably wipe out all of the gains made by labor, and could very conceivably destroy organized labor in the United States.

Senator IVES. May I reply to that?

I have taken that aspect of the matter into consideration, and I know of nothing in that bill which could be so interpreted that it could be administered to the detriment of labor, nothing whatever. After all is said and done, I think I am just as much interested in the welfare of organized labor as you are. Perhaps in reality as much.

Mr. HOFFA. I would question in reality as much.

Senator IVES. That is another point where we may disagree.

The CHAIRMAN. You gentlemen are in disagreement as to who loves labor the most. I think what we ought to do is love our country more, be sure that labor, business, and everybody else, conducts themselves with that propriety that is befitting a good citizen of this country.

Mr. HOFFA. The Teamsters agree.

The CHAIRMAN. Thank you very much.

All right, call the next witness.

Mr. KENNEDY. Mr. Richard Pastor.

The CHAIRMAN. Mr. Pastor, you do solemnly swear the evidence you shall give before this Senate select committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. PASTOR. I do.

**TESTIMONY OF RICHARD PASTOR, ACCOMPANIED BY COUNSEL,
FRANK J. DONNER**

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. PASTOR. My name is Richard Pastor. My residence is 65-96 160th Street, Flushing, N.Y.

The CHAIRMAN. What is your business or occupation?

Mr. PASTOR. My employer is Local 1-S of the Retail, Wholesale and Department Store Union, AFL-CIO.

The CHAIRMAN. Local what?

Mr. PASTOR. 1-S. I would like to say, if I may, Mr. Chairman, at this point—

The CHAIRMAN. I didn't get this clear. Local 1-S of what union?

Mr. PASTOR. Retail, Wholesale and Department Store Union.

The CHAIRMAN. All right.

Mr. PASTOR. I would like to just make an observation at this moment, that this is a union which has a 20-year tradition of fighting for democracy and decency.

The CHAIRMAN. Well, we will find out just what it is.

Mr. PASTOR. I just want to add, if I may, that I have done nothing to, in any way, damage that prestige.

The CHAIRMAN. All right. We will see. I am sure you will be glad to tell us about it.

Proceed, Mr. Kennedy.

Mr. KENNEDY. Are you editor of the news of Local 1-S News?

Mr. PASTOR. Mr. Chairman, I would feel compelled at this point to call your attention to the fact that, if you are not already aware, that this question, and many others, has been the subject of a grand jury questioning. I have been notified by the grand jury that I am subject to recall.

I therefore feel that I must decline to answer this question at this time.

The CHAIRMAN. The question is: Are you editor of this paper?

Mr. PASTOR. I respectfully decline to answer that question, sir.

The CHAIRMAN. You are ordered and directed to answer the question, with the permission of the committee.

We are trying to get your connection with the labor movement so that we can interrogate you further about it.

(The witness conferred with his counsel.)

Mr. PASTOR. Mr. Chairman, this question does fall directly within the scope of the grand jury inquiry.

The CHAIRMAN. There is no reason why this committee cannot inquire into anything a grand jury is inquiring into, so long as it comes within the purview of the mandate given this committee by the resolution creating it.

Mr. PASTOR. Well, I would say, then, in view of the fact that an answer to this might tend to incriminate me, that I would have to decline to answer on the grounds of the fifth amendment, sir.

The CHAIRMAN. Do you honestly believe that if you gave a truthful answer to the question: Are you the editor of the—what is the name?

Mr. KENNEDY. Local 1-S News, United Department Store Workers Union, AFL-CIO.

The CHAIRMAN. That a truthful answer to that question might tend to incriminate you?

Mr. PASTOR. I believe it would.

The CHAIRMAN. Proceed, Mr. Kennedy.

Mr. KENNEDY. Mr. Chairman, we have had, over the period of the past several weeks, certain testimony regarding Mr. Hoffa's attitude toward courts, grand juries, prosecutors, and judges.

An approach was made to a juror in a wiretap trial in New York City that took place in connection with Mr. Hoffa last year. The information we have was that the man who made the approach was Mr. Richard Pastor, and was identified as such by the juror that was approached.

I would like to ask Mr. Pastor why it was that he made this contact with the juror which was sitting on the trial of Mr. James Hoffa.

Would you tell us that, Mr. Pastor?

Mr. PASTOR. I am afraid, sir, that I will have to decline to answer that, for the same reasons. It falls within—

The CHAIRMAN. State your reasons.

Mr. PASTOR. It falls within the scope of the inquiry of the grand jury, sir.

The CHAIRMAN. That reason is overruled.

Mr. PASTOR. And my answer might tend to incriminate me.

The CHAIRMAN. If he thinks it might incriminate him, he answers the question truthfully, I assume.

Is that right? You think a truthful answer might tend to incriminate you?

Mr. PASTOR. That is what I say.

The CHAIRMAN. That is what you are stating under oath.

Mr. KENNEDY. According to the information we have, Mr. Pastor was born in 1918; that he was an active member of the Communist Party, at least during the 1940's.

Is that correct, that you were an active member of the Communist Party during the 1940's, Mr. Pastor?

Mr. PASTOR. I would like at first to ask what pertinency a question like that has in this connection.

The CHAIRMAN. The pertinency of that question is whether there has been an infiltration in any area in the labor movement of subversive elements. That is the pertinency of it. We asked you whether you were editor of this paper. You first said you were in—in what position of the union?

Mr. KENNEDY. We have him as editor of the local paper, Mr. Chairman. The reason it is of such interest, particularly, is because of the tie which Mr. Hoffa acknowledged the other day with Mr. Harry Bridges' union on the west coast, where you have on one hand corruption and gangsterism and on the other hand a certain amount of communism.

Mr. Hoffa acknowledged meeting with Mr. Velson, who has been an active member of the Communist Party in New York. Here you have during the same period of time a member of the Communist Party approaching a juror.

I think what we would be inquiring into is whether there is now going to be a connection between the subversive groups of the Communist Party in this country with the gangster or hoodlum-run operations.

Mr. Pastor can throw a lot of light on this subject.

The CHAIRMAN. We will be very glad to have your testimony, Mr. Pastor.

Mr. PASTOR. Mr. Chairman, I feel again that I have to say that this also fell within the scope of the grand jury inquiry.

The CHAIRMAN. That objection is overruled.

Mr. PASTOR. And since I am subject to recall to the grand jury, I must decline to answer that question.

The CHAIRMAN. You are ordered and directed to answer the question with the approval of the committee.

Mr. PASTOR. Then I will have to decline on the ground it might tend to incriminate me.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Mr. Chairman, according to our information, he was a member of the East Side Club of the Communist Party, as well as the Westchester County Club of the Communist Party during the 1940's, at various times during the 1940's. Is that correct?

Mr. PASTOR. I will once again have to say that this falls within the scope of the questioning before the grand jury, and since I am subject to recall there, I must decline to answer the question.

The CHAIRMAN. That reason is overruled.

Mr. PASTOR. I must decline to answer on the ground it might tend to incriminate me.

Senator IVES. I would like to ask Mr. Pastor where the headquarters of the club to which the counsel referred is located in Westchester County. Is it in White Plains or some other place?

Mr. PASTOR. I wouldn't know.

Senator IVES. You would not know?

The CHAIRMAN. The Chair must interrupt for a moment. I believe you have counsel with you—and Mr. Counsel, I apologize to you, I overlooked having you identify yourself to the reporter.

Mr. DONNER. My name is Frank Donner, of 342 Madison Avenue, New York.

The CHAIRMAN. It was an oversight on the part of the Chair. I did not mean any discourtesy, and it was an oversight.

Senator IVES. I am curious to know why Mr. Pastor does not know. (The witness conferred with his counsel.)

Mr. PASTOR. Excuse me for one moment, please.

(The witness conferred with his counsel.)

Mr. PASTOR. I will have to decline to answer that question, sir on the grounds it falls in the same category of political interrogation which the previous questions do, and which was indicated at the grand jury and on the ground of my answer might tend to incriminate me.

Senator IVES. All right, Mr. Chairman.

The CHAIRMAN. Do you know Mr. James Hoffa?

Mr. PASTOR. No, sir.

The CHAIRMAN. You never met him?

Mr. PASTOR. No, sir.

The CHAIRMAN. All right. Proceed.

Mr. KENNEDY. Why did you call Miss Catherine Barry on the jury, Mr. Pastor? Why did you make the call to her?

Mr. PASTOR. Mr. Chairman, this is again the point that has been made painfully clear to me by the grand jury, and I have been questioned on it, and I again say that I have been notified that I am subject to recall before the jury, and I decline to answer on the grounds it might tend to incriminate me.

The CHAIRMAN. Mr. Pastor, is it a fact that you did undertake to contact the juror in violation of law, and therefore, for that reason you do not want to testify or cannot testify without the possibility of self-incrimination? Is that a fact?

Mr. PASTOR. Excuse me for one moment.

(The witness conferred with his counsel.)

Mr. PASTOR. That is essentially the same question that I had just declined to answer, sir.

The CHAIRMAN. I asked it in a little different form. We are trying to get the same information, that is true. What is your answer?

Mr. PASTOR. In that case I will have to decline to answer this question on the same grounds.

The CHAIRMAN. On what grounds?

Mr. PASTOR. My answer might tend to incriminate me.

The CHAIRMAN. I see. Proceed, Mr. Kennedy.

Mr. KENNEDY. Now, you called this lady and stated to her that you wanted to interview her in connection with her jury service; did you not, Mr. Pastor?

Mr. PASTOR. This again falls in the same category of question, and I must again decline to answer on the ground that my answer might tend to incriminate me.

Mr. KENNEDY. Would you tell the committee who suggested to you that you call this juror?

Mr. PASTOR. I must again respectfully decline to answer that question on the same grounds.

The CHAIRMAN. On the grounds it might tend to incriminate you?

Mr. PASTOR. Yes, sir.

The CHAIRMAN. All right.

Mr. KENNEDY. Did any member of the Communist Party suggest that you make the call to this juror?

Mr. PASTOR. Excuse me a moment.

(The witness conferred with his counsel.)

Mr. PASTOR. Well—excuse me.

(The witness conferred with his counsel.)

Mr. PASTOR. I must again decline to answer, sir, on the same grounds.

Senator IVES. Mr. Pastor, I would like to ask you if there is such a thing as a Communist Party in New York State?

Mr. PASTOR. From what I read in the newspapers.

Senator IVES. That is all you know about it?

(The witness conferred with his counsel.)

Mr. PASTOR. I think that this is going around the long way back to the same questions as were asked before, sir, and I think that I must again decline to answer.

Senator IVES. For what reason?

Mr. PASTOR. On the grounds it might tend to incriminate me.

Senator IVES. If you acknowledged there is a Communist Party in New York State?

Mr. PASTOR. It might tend to incriminate me.

Senator IVES. Well, I think you know that we know there is one.

Mr. KENNEDY. That is all.

The CHAIRMAN. Are there any further questions?

All right, stand aside.

Call the next witness.

Mr. KENNEDY. I want to just call Mr. Carmine Bellino for a few questions.

Mr. Chairman, during the course of these hearings and the hearings last year, there was some question raised regarding whether the loans, so-called loans, Mr. Hoffa stated he received from the business agents were in fact loans or whether this was an excuse by Mr. Hoffa to explain large sums of cash that he had in 1952 and 1953.

We have put in evidence the fact that he filed this statement with the banks, in which he did not list these loans just prior to his testimony here before the committee. We have some further information in that connection that I would like to have Mr. Bellino put in the record at this time.

TESTIMONY OF CARMINE S. BELLINO—Resumed

The CHAIRMAN. Have you made further investigation with respect to the loans Mr. Hoffa claimed he received from certain business agents, that he testified to in a previous hearing?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. All right. Proceed.

Mr. KENNEDY. Could you tell us what you found?

Mr. BELLINO. In this connection, we find that the salary and expense checks which Mr. Hoffa received from December 30, 1952, through September 3, 1953, were retained by him and cashed on October 14, 1953. These checks amount to \$4,826.81. In other words, if he was in such dire need of cash, he had checks in his pocket which he could have cashed and used.

Mr. KENNEDY. At the time he was doing this borrowing, and time he claimed this borrowing was made, he was not cashing his salary checks? They had accumulated, from December 30, 1952, up to October 14, 1953, when he cashed them, to the amount of \$4,826.81?

Mr. BELLINO. Yes.

In addition he had his four salary checks from local 299 which he received in January of 1953, and the testimony has been that the money he borrowed was from the latter part of 1952 and the early part of 1953. He had four salary checks which were not cashed until January 29, 1953, amounting to \$1,115.80.

The CHAIRMAN. That is in addition to the other amount you have given now?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. Those are additional checks?

Mr. BELLINO. Yes, sir. That is for the month of January only of 1953.

Mr. KENNEDY. This, of course, was when he stated he had to go to these business agents and he got these loans in cash because he was in dire need of this money.

Mr. BELLINO. That is up to the early part of 1953.

Mr. KENNEDY. To January of 1953?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. Have you determined how many loans he was claimed to have received during that period of time, in amount?

Mr. BELLINO. I believe it was around \$30,000, if I recall, or \$38,000 in the latter part of 1952 and the early part of 1953, if I recall correctly.

Mr. KENNEDY. None of which had any evidence, and there were no notes on any of them and it was all in cash.

Mr. BELLINO. All in cash, and no notes, and no receipt of it or any record of money—just coming out of a tin box or stashed away at home somewhere.

Mr. KENNEDY. During a period of time in which some of these business agents who made these loans had bank accounts?

Mr. BELLINO. Bank accounts and they also were borrowing, themselves, from the union.

The CHAIRMAN. All right. Is there anything further?

Mr. KENNEDY. That is all.

The CHAIRMAN. Call the next witness.

Mr. KENNEDY. Mr. Chairman, Mr. Hoffa submitted this morning a memorandum regarding the insurance of the Central States Conference, and I would like to call in connection with that matter Professor Mayerson.

We expected also, I might say, Mr. Chairman, to have the Dorfman's; but there has been a death in the family, as I have explained to you, and they are unable to appear at this time. So they will have to appear at a later time.

The CHAIRMAN. Let me ask you: Is Professor Mayerson here?

Will you come around, please? Will you be sworn?

Do you solemnly swear that the evidence you give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. MAYERSON. I do.

Mr. KENNEDY. Could we also have Mr. Martin Uhlmann, of the committee staff, who has spent a considerable amount of time studying this?

The CHAIRMAN. Do you solemnly swear that the evidence you give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. UHLMANN. I do.

TESTIMONY OF MARTIN S. UHLMANN AND PROF. ALLEN MAYERSON

The CHAIRMAN. Beginning on my left, state your name and your place of residence and your present business or occupation.

Mr. UHLMANN. Martin S. Uhlmann. I live at 3923 North Fifth Street, in Arlington, Va., and I am a member of the Senate select committee investigating staff.

The CHAIRMAN. Now, the gentleman on my right, Professor Mayer-son, will you give your name?

Mr. MAYERSON. Allen Mayerson, and I am an actuary and assistant professor of insurance and actuarial mathematics at the University of Michigan, Ann Arbor, Mich.

The CHAIRMAN. You gentlemen waive counsel, I assume?

Mr. KENNEDY. Mr. Uhlmann, I might ask about your background and experience. How long have you been working for the Federal Government?

Mr. UHLMANN. 25 years.

Mr. KENNEDY. And what kind of work have you been doing generally?

Mr. UHLMANN. In the main, finance and accounting and investigation and audit work.

Mr. KENNEDY. And you are a certified public accountant?

Mr. UHLMANN. Yes, sir.

Mr. KENNEDY. You have been working for a period of almost a year now on Allen and Paul Dorfman's arrangement in connection with the Central States Conference; is that right?

Mr. UHLMANN. That is right.

Mr. KENNEDY. The insurance that they have?

Mr. UHLMANN. Yes.

Mr. KENNEDY. Now, Professor, could you tell us a little bit about your background?

Mr. MAYERSON. I am a fellow of the Society of Actuaries, the professional body of actuaries in the United States and Canada, and I am also a fellow of the Casualty Actuarial Society, and I am a member of the actuarial bodies of France, Great Britain, Spain, and Switzerland, and I am the former principal actuary of the New York State Insurance Department, before I became professor at Michigan.

Mr. KENNEDY. You spell your name M-a-y-e-r-s-o-n?

Mr. MAYERSON. That is right.

Mr. KENNEDY. How long have you been with Michigan?

Mr. MAYERSON. I have been at Michigan for 2 years.

Mr. KENNEDY. Now, Professor, have you made a study of the insurance of the Central States Conference of the Teamsters?

Mr. MAYERSON. I did.

Mr. KENNEDY. Have you made a study of the selection of the carrier of that insurance?

Mr. MAYERSON. Yes, I did.

Mr. KENNEDY. Now, when was the contract awarded in connection with the Central States Conference of Teamsters?

Mr. MAYERSON. Bids were first called for in January of 1950, and the contract was finally awarded soon after, I guess, March 14, 1950, and the final bids were submitted March 14, 1950.

Mr. KENNEDY. Would you give me those dates again?

Mr. MAYERSON. There were three bids. There was a bid in January which was thrown out, and another in February which was also thrown out, and the final bids were submitted on March 14, 1950.

Mr. KENNEDY. Who were the three low bids? Who submitted the three low bids?

Mr. MAYERSON. In the final bidding in March, the three lowest bidders were the Pacific Mutual Life Insurance Co., a combined bid

of the Union Casualty with the United States Life Insurance Co., and the third was the Continental Assurance Co. They were the third bidder.

Mr. KENNEDY. Now, Mr. Chairman, we have an affidavit here from Ralph J. Walker, vice president of the Pacific Mutual Life Insurance Co.

The CHAIRMAN. This affidavit may be made exhibit 201.

(The affidavit referred to was marked "Exhibit 201" for reference and may be found in the files of the select committee.)

The CHAIRMAN. You may read excerpts from it.

(Members of the select committee present at this point in the proceedings: Senators McClellan, Ives, and Church.)

Mr. KENNEDY. I will read the whole thing, Mr. Chairman. It will put the situation in perspective, with background. It is from Ralph J. Walker, vice president of Pacific Mutual Life Insurance Co. [Reading:]

In the early part of 1950, Pacific Mutual Life Insurance Co. was one of several insurance companies requested to bid on a health and welfare plan covering Teamster Union members employed by employers in 22 Central and Eastern States. The risk was known as the Central States Drivers Council and included the Southeast and part of the Southwest.

There were preliminary negotiations designed primarily to determine upon a plan of benefits to be submitted for sealed bids. By letter from Mr. Hoffa and Mr. Healey in early February, our company was requested to submit a sealed bid on a specific plan of benefits. We did so and I presented our bid in multiple copies in Chicago on or about February 27, 1950. The sealed envelope was marked by time and date of submission. The bids were considered at a union-employer meeting at the Hotel Morrison in Chicago on or about March 6, 1950. I was present in the hotel, but I do not recall having been invited into the meeting.

It is my recollection that our bid for the complete plan of benefits was \$3.955 per insured employee per month. According to a list of bids that I later received, ours was the lowest bid.

For unstated reasons, all bids were tossed out and new sealed bids were requested immediately thereafter, by letter from Hoffa and Healey. Sealed bids were to be presented at three different locations: A union office in Detroit, a union office in Chicago, and the headquarters of the Employer Council in Madison, Wis. Our bid was personally delivered by our men in each of the three locations, just prior to the deadline. Our bid was \$3.78 monthly per insured employee.

The second bid was considered at a meeting of employer and union representatives at the Morrison Hotel around the middle of March 1950. The four lowest bidders were invited into the meeting room, one at a time. I was so invited and was told by Mr. Hoffa, who appeared to be chairman of a committee, that our bid was unacceptable because our company had had financial troubles in 1936 and welshed on its noncancelable accident and health policies. I told him that there was a satisfactory explanation and that I would like to present that explanation. He told me that the matter was closed and that our bid had been rejected. I asked him if he was both judge and jury and he replied that he was both. I left the meeting. Subsequently, I was informed that Pacific Mutual was the low bidder.

To both of our bids had been attached a condensed financial statement showing the condition of the company as of December 31, 1948, copy of which is attached.

Our company has not been able to comply with the subpoena and produce its correspondence files in connection with this case because of a destruction program that we have in effect.

I will skip five or six lines.

The above statement is true and correct to the best of my present recollection. The amounts of the bids are definitely recollected by me because of the unusual circumstances surrounding the rejection of our final bid and the fact that the

first set of bids was tossed out. This latter point caused me to make a careful study of our previous bid and to quote the still lower figure of \$3.78 per employee per month on the second round.

Have you made a study of the awarding of this contract, is that right, Professor?

Mr. MAYERSON. Yes, sir.

Mr. KENNEDY. Are the facts that are related here correct, as you know them?

Mr. MAYERSON. As far as I know them, yes. But, of course, I have no firsthand knowledge of this. I base my study on various facts given to me, one of which was—

Mr. KENNEDY. The fact that certain of the bids were thrown out, did you find that to be correct?

Mr. MAYERSON. Yes, sir.

Mr. KENNEDY. Did you find out the explanation as to why they were thrown out?

Mr. MAYERSON. No explanation was ever given, as far as I know.

Mr. KENNEDY. Could you tell us who the three lowest bidders were?

Mr. MAYERSON. The lowest bidders were the Pacific Mutual, Union Casualty, and United States Life, and the Continental Assurance.

As far as the bids are concerned, there are two things that have to be considered: The premium rate, the gross premium rate, and the company's retention. Apparently the committee was most interested in the gross premium rate. They had so much money to spend and they weren't willing to go above a certain figure. So they first cut everything down to the three or four lowest bidders in terms of the gross premium rate.

But it is also important to look at the retention because the retention is the amount the company keeps for its expenses, contingency reserves, profit, and so on. Since the premium rate is usually calculated with a certain amount of conservatism because no company wants to lose money, the retention is important to the group insured, because this is going to determine, really, their true cost of insurance.

The Pacific Mutual bid a premium rate of \$3.78 per month per employee, with a retention, an average over 5 years retention of 7.1 percent of the premium.

The CHAIRMAN. They first gave a low rate or gave their rate of premium that they would charge per member; is that correct?

Mr. MAYERSON. Yes, sir.

The CHAIRMAN. Then the next and the most important thing or one of the most important things is how much they would retain out of the fund for operating expenses and profit?

Mr. MAYERSON. Right.

The CHAIRMAN. All right.

Mr. MAYERSON. And both have to be considered together. They both have a bearing on cost, and you have to really weigh the two together. The Pacific Mutual bid \$3.78 a month, with a 7.1 percent retention.

The Union Casualty and United States Life bid \$3.80 per month, with a 17.5 percent retention.

The Continental Assurance Co. bid \$3.85, with a retention of 13.5 percent of the premium, plus 10 percent for profits.

Senator IVES. I would like to know what that 10 percent would amount to insofar as increasing the 13.5 percent retention.

Mr. MAYERSON. Well, we would have to make an assumption. If you assume that claims were, say, to make it easy were 62.5 percent of the premium, which is a reasonable assumption, they would pay the claims, pay the 62.5 percent. I should have made it 61.5 so it comes out even. They would then deduct their 13.5 percent, and then that totals 75. There is 25 percent left. They keep 2.5 and return 22.5.

So on the assumption of approximately a 60 percent loss ratio, that 13.5 percent would come up to 16 percent. But it would be very hard to get it much higher than that.

The CHAIRMAN. The other two did not have plus 10 percent of profits, as I understand.

Mr. MAYERSON. That is right.

The CHAIRMAN. Only the Continental Assurance Co.?

Mr. MAYERSON. That is right.

The CHAIRMAN. So that brought its retention, in effect, up to about 16 percent?

Mr. MAYERSON. Well, depending upon the loss ratio. It could be 13.5. I would say a range from 13.5 to 16.

The CHAIRMAN. I mean based on your general expectancy and anticipation of claims and losses.

Mr. MAYERSON. Yes, that is right. But, of course, if the actual experience were worse than expected, it would be worse.

The CHAIRMAN. But you can't anticipate that they are going to be worse or better. You have to take the overall average and what can be reasonably anticipated in submitting a bid of this kind.

Mr. MAYERSON. That is right.

The CHAIRMAN. I assume all bids are submitted on that basis. If you write a life insurance policy, the expectancy of life of the individual may be 40 years, but he may not live 40 days. That is a part of the risk. But on the overall average through the years, you find that to be substantially true, that you can anticipate over a period of time what the losses will be.

All right.

Mr. KENNEDY. Did you make an examination, Professor, into the financial stability of each one of these companies?

Mr. MAYERSON. Well, I didn't go directly to original sources, but I checked in "Best's Life Reports," which is the standard life insurance work, and I took down the total assets in capital and surplus of each of these companies. The reason I did this was because the particular group under consideration, the Central States, had a premium the first year of something over a million dollars. It is at present running over \$10 million a year. In addition to the premium rate and the retention, another very important consideration for the person placing the insurance, or the committee placing the insurance, is the financial stability of the carrier.

You will see what I mean when you see the results.

The Pacific Mutual had assets in, I guess, at the end of 1949, because this was early 1950 that the bids were submitted, of about \$377 million, with capital and surplus of \$13.5 million.

The Union Casualty had assets of \$768,000, and capital and surplus of \$310,000.

The United States Life had assets—which, of course, was together with the Union Casualty on the bid—the United States Life had assets of \$38 million—well, say nearly \$39 million, and capital and surplus of \$2.25 million.

The Continental Assurance had assets of \$148 million and capital and surplus of \$14 million.

So even adding the United States Life and the Union Casualty together, their assets were about 10 percent of those of the Pacific Mutual, and about 25 percent of those of the Continental Assurance and, similarly, their capital and surplus was about 12 to 15 percent of the capital and surplus of either of the two companies. That is adding the two together.

Taking the Union Casualty alone, of course, it was very much less. The Union Casualty had surplus of only \$300,000.

Mr. KENNEDY. Which company had the low bid?

Mr. MAYERSON. The lowest bid was the Pacific Mutual.

Mr. KENNEDY. Which company had the best financial stability?

Mr. MAYERSON. I would say the Pacific Mutual and the Continental Assurance were pretty much neck and neck on that, of those three. Of course, there were many other companies that bid that were not considered.

Mr. KENNEDY. To whom was the contract awarded?

Mr. MAYERSON. The contract was awarded to the Union Casualty and United States Life.

Senator IVES. That was in the worst condition, wasn't it?

Mr. MAYERSON. That is right.

Mr. KENNEDY. Yet, according to the affidavit, Mr. Hoffa turned down the low bidder on the grounds they did not have the financial stability and financial background.

Mr. MAYERSON. I believe he said—I was told that he turned them down on the grounds that they had had a financial reorganization in 1936, I believe.

Mr. KENNEDY. That was some 14 years prior to that time.

Mr. MAYERSON. Yes; and 7 years before the Union Casualty was ever organized.

Mr. KENNEDY. When did the Union Casualty Co. come into existence?

Mr. MAYERSON. I think 1943, approximately.

Mr. KENNEDY. So their trouble financially or the reorganization, had occurred some 7 years prior to the time that that company was organized?

Mr. MAYERSON. Yes, sir.

Mr. KENNEDY. Could you tell the committee what it has cost the welfare fund as a result of the selection of the Union Casualty Co. over the period? I believe you have done it for a period of the first 3 years.

The CHAIRMAN. Over the Pacific Mutual. I guess that is the one you are making a comparison with.

Mr. MAYERSON. This is a matter, of course, of taking Pacific Mutual's retention of 7.1, and the Union Casualty's of 17.5, and since the premium rate was very close, assume that was the same, and expressing the retention in dollar terms.

Over the first 3 years, the actual premiums were about \$8.5 million, and the actual retention of the Union Casualty and United States Life together was about \$1.25 million—\$1,263,000.

I think the Pacific Mutual's retention would have been about half that. So it looks as though the Union Casualty retained some \$640,000 more than the Pacific Mutual would have in the first 3 years.

The CHAIRMAN. That would be something over \$200,000 a year.

Mr. MAYERSON. Yes; except that it didn't run that way, because the group grew.

The CHAIRMAN. I understand, but on the average.

Mr. MAYERSON. On the average about \$200,000.

The CHAIRMAN. This retention, that is the company retaining it, and that becomes company assets?

Mr. MAYERSON. That is right.

The CHAIRMAN. There is no dividend declared out of it back to the insured?

Mr. MAYERSON. No; the retention is what the company keeps, and the dividend is the premium less the claims and less the retention.

The CHAIRMAN. But they keep that much——

Mr. MAYERSON. For their expenses, contingency reserves, commissions, taxes, and so on.

The CHAIRMAN. That is more than twice. That is about 2½ times as much as the Pacific Mutual was going to retain.

Mr. MAYERSON. At least twice, yes, sir.

The CHAIRMAN. Well, twice 7.14, 14.28, against 17.5.

Mr. MAYERSON. There is one difficulty there. In the third year, the experience was not quite as good as it had been, and the Union Casualty didn't get its full 17.5 percent. In the third year they only got about 11.5. But taking the actual results, it was about twice.

But you are correct on the basis of the bids.

The CHAIRMAN. I am talking about on the basis of the bid. And also you say that \$3.78 as against \$3.80, you just didn't consider that as so close?

Mr. MAYERSON. Well, I think I would have if I were on the committee, but for purposes of the calculation, yes.

The CHAIRMAN. But for the purposes of this calculation, you just waived the 2-cent difference in the premium?

Mr. MAYERSON. Yes, sir.

Mr. KENNEDY. What has been the total loss, then, for the first 3 years?

Mr. MAYERSON. Between \$600,000 and \$650,000.

Mr. KENNEDY. To the welfare fund?

Mr. MAYERSON. To the welfare fund, as compared to the cost they would have had if Pacific Mutual had been chosen.

Senator IVES. I wonder if the professor found any evidence of any kick-back here.

Mr. MAYERSON. No, sir, I wasn't investigating anything of that.

Senator IVES. You weren't investigating anything of that nature?

Mr. MAYERSON. No, sir, that is not an actuarial question.

The CHAIRMAN. Pardon?

Mr. MAYERSON. That is not an actuarial question. I have no evidence on that.

The CHAIRMAN. Senator Church?

Senator CHURCH. Professor Mayerson, what kind of insurance is it? Is this health an accident insurance, or is the coverage broader than that?

Mr. MAYERSON. There is life insurance, accidental death and dismemberment, hospital, surgery—it is pretty broad.

Senator CHURCH. It is pretty broad as a plan to give both accident protection and casualty protection?

Mr. MAYERSON. Yes, sir.

Senator CHURCH. And your testimony here is merely based upon a comparison between what the cost would have been had the decision been to give this insurance package to the lowest bidder as compared to what the cost actually was with the insurance company with whom the business was written?

Mr. MAYERSON. That is right. Of course, I have to assume that the business was the same, all other things being equal.

Senator CHURCH. And that cost, you testify, was somewhere between \$600,000 and \$650,000 to the union?

Mr. MAYERSON. Approximately that; yes.

Mr. KENNEDY. What happened after the first 3 years?

Mr. MAYERSON. In the fourth year, the experience got quite bad and instead of having any retention at all, the Union Casualty and United States Life had a substantial loss on the business. I am not sure how much. I think, taking account of the retention, the overall loss was something like \$700,000 in the fourth year.

The CHAIRMAN. What?

Mr. MAYERSON. About \$700,000. The experience turned bad. The claims exceeded the premiums by about \$150,000.

Mr. KENNEDY. What if that had happened in the first year? What would have happened to the Union Casualty?

Mr. MAYERSON. I think it would have bankrupted the Union Casualty if it happened in the first year. They had capital and surplus of \$310,000. Of course, United States Life was on the risk. They have the life completely and also are on accidents and health as reinsurer, so they would have had to make good a substantial part of it. I believe on the actual loss that did occur, United States Life got stuck with a substantial part of it, and Union Casualty didn't go under.

Mr. KENNEDY. What about the commissions that were paid? Could you give us a report on that, whether the commissions that were paid to the Dorfman's were excessive?

Mr. MAYERSON. Yes; the commissions paid—there were two sets of commissions. Commissions were paid to the union insurance agency, which, I believe, was run by the Dorfman's, and commissions of a smaller amount were paid also to the United Public Service Corp., which was kind of a general agency run by Dr. Perlman, who is also executive vice president of the company. The total commissions to both of those agencies for the first 7 years from April 1, 1950, March or April, I am not sure which, 1950, down through 1957, 7 years, commissions of about \$1,400,000 was paid to those two agencies.

The CHAIRMAN. What are those, just brokerage commissions?

Mr. MAYERSON. Agency commissions, \$1,400,000.

The CHAIRMAN. That is pretty much net profit; isn't it?

Mr. MAYERSON. Well, the agent usually has a certain amount of expense in getting the business and in running his office, and in servicing, and so on.

Senator CHURCH. How does that compare to the total amount of premiums paid during that period?

Mr. MAYERSON. Let me get that for you. May I make one correction to that? That \$1,400,000 includes not only the Central States, but also the Michigan Conference of Teamsters. The bidding, the part I talked about, about retention and bidding, and so on, referred only to the Central States. But later on the Michigan Conference of Teamsters also came into the Union Casualty.

Now I have that lumped together with the Central States. The total premiums on the two groups together were about \$58 million during those 7 years, about \$58 million in premiums and about \$1,400,000 in commissions.

Mr. KENNEDY. How much, under ordinary circumstances, Professor, would a commission be paid?

Mr. MAYERSON. Well, to get a judgment on that, I took the commission scale of six other life insurance companies. I went back and got the commission scale they were using at this time. Commissions have come down some since then, so I went back to about 1951, 1952, 1953. It seemed to me that—well, first of all, we have to split this commission figure into two pieces. The company, even though they paid \$1,400,000 in commissions on the two cases, they only charged to the cases \$650,000. The other \$700,000 or \$750,000 was not charged directly to the cases as commission. The way they did this was by applying the standard company commission scale to the cases, even though the actual commissions paid were greater.

Mr. KENNEDY. I will go back into that.

The total commission paid was \$1,400,000.

Mr. MAYERSON. Yes.

Mr. KENNEDY. How much would actually be paid on the study that you made of the other companies?

Mr. MAYERSON. On the basis of the six companies studied—of course, you have to take a range—the six companies would have paid something between \$160,000 and \$380,000 in commissions over that 7-year period. In other words, the company scales vary. The lowest was about \$160,000, and the highest about \$380,000.

Mr. KENNEDY. The highest of any of the six other companies you looked at was \$380,000?

Mr. MAYERSON. Yes, sir.

Mr. KENNEDY. Over this 6-year period?

Mr. MAYERSON. Seven.

Mr. KENNEDY. How much did the Dorfman and Dr. Perlman receive?

Mr. MAYERSON. \$1,400,000.

Mr. KENNEDY. So they received almost \$1 million in excess, is that right?

Mr. MAYERSON. Yes, sir.

Mr. KENNEDY. Now you were explaining about the fact that all of that \$1,400,000, they split it up, is that correct?

Mr. MAYERSON. Yes, and only about \$650,000 was actually charged to the two funds.

Mr. KENNEDY. Could you explain the situation, what the laws are about charging?

Mr. MAYERSON. New York State had an antidiscrimination law, and I guess that is a dirty word now, but it requires that any commissions, or a commission charged to a group must be uniform, and a company is not allowed to have two groups of similar types and on one charge a commission of 10 percent and on another charge a commission of 5 percent. Whatever commission scale the company files with the New York Insurance Department, the company must then use that same commission scale across the board.

This does not say they have to pay it, and for example, it is conceivable that a case will walk into the company and there will be no agent at all, and they won't pay any commission. They still have to charge against that group this standard commission scale, in order to avoid that group's having an advantage against another.

The Union Casualty did, as far as I can see, comply with that, and they used their standard commission scale here, although in this case they paid substantially more than that.

Mr. KENNEDY. What was the standard scale that they should have charged?

Mr. MAYERSON. What they did charge was about \$650,000 according to their scale.

Mr. KENNEDY. Which was still about twice as much as any other company would have charged?

Mr. MAYERSON. About twice as much as the highest of the other companies I studied.

Mr. KENNEDY. Which was the most they could charge under the law?

Mr. MAYERSON. That is right.

Mr. KENNEDY. Then they billed the difference between \$650,000 and \$1,400,000 to the company?

Mr. MAYERSON. Yes, and the company just made the payments, but these amounts were not directly charged to the groups concerned.

Senator CHURCH. What explanation was given on the books of the company? Did you examine the books of the company?

Mr. MAYERSON. No, sir; I did not. I discussed it with them, and I did not have time to examine the books, but I was told that these were payments made by the company to the Dorfman Agency and to Perlman, and that these did not concern the welfare funds since the payments were not charged against them, and the payments were a private matter between the company and its agent.

Senator CHURCH. In other words, there was no real explanation given other than the fact that they were just supplementary payments made by the company to these agents?

Mr. MAYERSON. No explanation was given to me.

Senator IVES. Is not that a form of kickback? It looks pretty nearly like it.

Mr. MAYERSON. Except that it was made, or payments were made by the company to their duly licensed agent.

Senator IVES. I understand that, but they are away in excess of the ordinary commission, though. By the way, what is the rate on commissions, and does that drop from year to year?

Mr. MAYERSON. It is usually higher in the first year than renewal years, and it decreases with the size of the premium. It will run something like 20 percent on the first \$5,000 of premium, and by the

time you get over \$1 million, it is down to half or a quarter of 1 percent.

Senator IVES. Apparently what they did with their commission, was to take the top figure and continue it right on for all 7 years, plus these other things.

Mr. MAYERSON. No; they used a regular renewal scale, but instead of paying a quarter of 1 percent or so on the excess over \$1 million, they were paying 1 percent or thereabouts. So they just did not chop it off at the high amounts as most companies will.

Mr. KENNEDY. What percentage of the business do the Teamsters have of this company?

Mr. MAYERSON. The two groups, the Central States, and the Michigan conference together comprise about 80 percent or at that time comprised about 80 percent of the company's business.

Mr. KENNEDY. So this excess amount that they paid actually had to come really from the Teamsters indirectly?

Mr. MAYERSON. I don't see where else it could have come from.

Senator IVES. Who owned these companies?

Mr. MAYERSON. Well, there were various people had stock in that, and I don't know exactly.

Senator IVES. They are stock companies?

Mr. MAYERSON. The Union Casualty is a stock company; yes.

Mr. KENNEDY. So it would appear that there was over \$1 million in excess commissions that have been paid over the period of the past 7 years?

Mr. MAYERSON. That is right, about \$1 million more than another company would have paid.

Mr. KENNEDY. Looking at it from the other side, it would appear that the welfare fund paid, for the first 3 years alone, some \$650,000 more than they had to pay or would have had to pay if he had taken the lowest bid.

Mr. MAYERSON. Yes, if they had taken another company, namely, the Pacific Mutual, and if all other conditions had remained the same, and the claims were the same.

Mr. KENNEDY. The same people were covered?

Mr. MAYERSON. Presumably, yes.

Senator IVES. Mr. Chairman, I would like to ask counsel who owns these companies.

Mr. KENNEDY. The Dorfman's, as we will go into a little bit now and more extensively later on when the Dorfman's can testify, but Allen Dorfman was able to get this insurance for this company.

Mr. Uhlmann, how long had Allen Dorfman had a license at the time that he received this insurance?

Mr. UHLMANN. Well, Allen Dorfman initially had a temporary license in March of 1949.

Mr. KENNEDY. So he had had the license for only a year?

Mr. UHLMANN. A little less than a year, when he had the contract.

Mr. KENNEDY. That was a temporary license and when did he get his permanent license?

Mr. UHLMANN. July 1, 1949.

Mr. KENNEDY. So he had his permanent license for about 9 months?

Mr. UHLMANN. Yes, sir.

Mr. KENNEDY. When he got this insurance?

Mr. UHLMANN. Yes, sir.

Mr. KENNEDY. We might also point out that the Dorfman's have been in business with Mr. Jimmy Hoffa, as well as Dr. Perlman has been in outside businesses with Jimmy Hoffa, and were in businesses after they received this insurance.

Senator IVES. I understand all of that, but as I understand, this insurance constituted about 80 percent of the business of these two companies; is that right?

Mr. MAYERSON. Of the Union Casualty, and the United States Life is a much bigger company.

Senator IVES. Then who really controlled it?

The CHAIRMAN. The Casualty is the one that really got the business, and the United States Life underwrote it; is that right?

Mr. MAYERSON. They underwrote the life insurance and reinsured the Union Casualty.

Senator IVES. Who actually controlled the smaller company, Union Casualty?

Mr. MAYERSON. I don't have any firsthand knowledge, but I think Dr. Perlman controlled the company substantially.

Senator IVES. It would be very interesting to know that, because whoever controlled it must have been involved, too.

Mr. MAYERSON. Yes.

Mr. KENNEDY. But this was a real windfall for this company, was it not? As they pointed out, this was 80 percent of the business plus the great premiums and the great commissions that were paid, with the business as well as the commissions.

We have some correspondence, Mr. Chairman, which would bear a little bit on this situation as to the collusion that existed with the Dorfman's, and the favoritism that was given to the Dorfman's by Mr. Hoffa. As I said, we expected to have the Dorfman's here, in which case we were going to go into many other matters extensively in connection with this, but we have some letters here that might throw a little light and show you about it.

The CHAIRMAN. All right. Proceed.

Mr. KENNEDY. Let me ask you, when you went through the Union Casualty files, did you find that the bids from certain of the other companies, the rival companies, did you find their bids in the Union Casualty's office?

Mr. UHLMANN. Yes; I did.

Mr. KENNEDY. You found several of these other companies' bids in the Union Casualty's files?

Mr. UHLMANN. Yes; I did.

Mr. KENNEDY. Could you tell us about that?

Mr. UHLMANN. Well, yes; and, of course, the files do not indicate when these bids were actually furnished. However, I did find them, and in one instance there was a telegram addressed to Mr. Hoffa at the Bismarck Hotel in Chicago, that was sent by the Continental Assurance Co., and the essence of it was their bid in response to the January 1950 bid invitations on the Central States contract. I have a copy of that telegram here.

The CHAIRMAN. All right. That wire may be made exhibit 202.

(The wire referred to was marked "Exhibit 202" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. Did you find any others?

Mr. UHLMANN. Yes; we have a letter that was sent again by Continental Assurance addressed to Mr. Hoffa at Detroit, in which their bid with respect to the second round of bid invitations had been submitted. That, too, was in the file.

The CHAIRMAN. That letter may be made exhibit 203.

(The letter referred to was marked "Exhibit 203" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. We will put in some of these other documents now, Mr. Uhlmann, that we picked out before.

Mr. UHLMANN. With respect to some correspondence that seem to have a bearing on this insurance, there is a letter I have here that was dated February 2, 1950, written by Allen Dorfman to Dr. Perlman, who at the time was executive vice president of the Union Casualty Co. and in which he said, in part:

From all indications it appears that our efforts to land the Central States business will be successful.

Senator IVES. That will be exhibit 204-A, I believe.

(The letter referred to was marked "Exhibit 204-A" for reference and may be found in the file of the select committee.)

Mr. KENNEDY. What was the date of that?

Mr. UHLMANN. February 2, 1950.

Mr. KENNEDY. Sometime before the bids were awarded, is that right?

Mr. UHLMANN. Just about 6 weeks; yes.

On February 13, 1950, or just about a month before the award was made, another letter by Allen Dorfman was sent to Dr. Perlman in which he said, in part:

The big thing for us to consider here, Doctor, is to get the contract first. Once we are established with the Central States, the rest will be worked out. That is the main point to be emphasized and is the point that was emphasized for me by Mr. Hoffa as well as Mr. Flynn. They said, "Tell Doc to get us the Central States Drivers' contract and, once we are in, the rest will be good going."

Senator IVES. That will be exhibit 204-B.

(The document referred to was marked "Exhibit 204-B" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. Mr. Chairman, I have here an excerpt from the testimony of Willys J. McCarthy at a congressional hearing in November of 1953, and he was a trustee, and he was asked some questions about the awarding of this business to Dr. Dorfman and the Union Casualty Co., and the following exchange took place; he was asked a question:

Whom did you think was trying to throw it to the Union Casualty?

And he answered:

I thought James Hoffa was trying to throw it to Union Casualty, and I thought Tom Flynn very definitely was trying to throw it to Union Casualty.

These documents that are being put in at the present time support that situation and that claim, and the testimony of the professor of course shows what the result of it was.

Senator IVES. Are there some more documents?

Mr. UHLMANN. I have a letter dated March 8, 1950, written by Allen Dorfman to Dr. Perlman, and he says, in part:

You will note that they make reference—

and he was referring, if I may say here, to the bid invitation of the Central States Drivers Council—

they make reference to the average premium age of 43.

He was referring here to the life insurance.

I might say that the bid invitation made it very clear that there was to be no modification insofar as the bidding itself was concerned with respect to any feature of the specifications in the invitation itself.

Notwithstanding that, the bid that came from Union Casualty quoted a life rate of age 39 instead of 43.

Mr. Dorfman continues:

In my conversation with Jimmy Hoffa, he said that it would be all right to quote a lower rate for the life insurance but, if you do quote a lower rate and they find that the average rate is in the vicinity of 43 years, we will have to go along on a basis of the average age we submitted in our bid. Use your own judgment along these lines but bear in mind to cut somewhere along the life insurance rate instead of 43, quote a figure as you have in the past and we will be in pretty good shape.

I might add this:

In my conversation—

again quoting from the letter—

with Mr. Hoffa, he said there will be a minimum of 30,000 people to be covered, and in a very short time it should be increased to well over 100,000.

Senator IVES. Have you any of those documents of that same type to go in?

Mr. UHLMANN. No, I do not.

Senator IVES. That will be exhibit 205-A.

(The document referred to was marked "Exhibit 205-A" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. Do you have some other documents?

Mr. UHLMANN. Yes, I do have a document which has a bearing on the letter I just quoted from, to this effect.

Senator IVES. If you are going to have that, we had better make the last one 205-A and the one you are about to read will be 205-B, if it relates to the other.

(The document referred to was marked "Exhibit 205-B" for reference and may be found in the files of the select committee.)

Mr. UHLMANN. On March 13, 1950, the actuary of the United States Life Insurance Co., which as Professor Mayerson pointed out earlier had the life portion of this total insurance, addressed a letter to Dr. Perlman. We must remember that this was a day or two before the award of this insurance.

In this letter, he said this:

In accordance with our telephone conversation this morning, we wish to authorize you to delete from our proposal to the Central States Drivers Council group case the page showing the amount of insurance that the deposit rate of 65 cents for \$1,000 is predicated upon age 39.

I would like to comment in this respect. By quoting it or by using this rate at age 39, it was possible for Union Casualty to come up with a combined bid for the accident, health, and life rates at a figure that

was just below the Continental Assurance Co., which proved to be the third highest bid of the three, but in reality, if the age 43 rate had been used, at the statutory minimum required by New York State, then Union Casualty would have been the third highest bidder and not the second. They would have been behind Continental Assurance.

Senator IVES. Have you anything further?

Mr. UHLMANN. I have a copy of a letter here found in the files of the Union Casualty Co. that is dated January 26, 1949, written by Mr. Hoffa to Dr. Perlman, and the letter states, in part:

We wish to inform you that we have an understanding with our employees by having them contribute 1 cent an hour to an accident, health, and death benefit fund to be established by this organization. We intend to provide approximately \$1,000 of life insurance, and we would appreciate your information by return mail as to what hospital and surgical benefits could be obtained for \$1.25 per month per member.

Senator IVES. That will be exhibit 206-A.

(The document referred to was marked "Exhibit 206-A" for reference and may be found in the files of the select committee.)

Mr. UHLMANN. On February 2, 1949, Dr. Perlman responded to Mr. Hoffa's letter and furnished the information that had been requested.

I might add that the files were incomplete as to how Mr. Hoffa was aware of Mr. Perlman and the Union Casualty Co. at that time.

The CHAIRMAN. That letter may be made exhibit 206-B.

(The letter referred to was marked "Exhibit 206-B" for reference, and may be found in the files of the select committee.)

Mr. UHLMANN. On February 23, 1949. Dr. Perlman wrote Allen Dorfman in Chicago, who at that time was on the payroll of the Union Casualty Co. at the salary of \$100 a week as an insurance trainee, and he did not have a license at the time. This letter to Allen Dorfman reads as follows:

I intend to be in Detroit on Tuesday, March 1. I think it would be advisable to conclude the Teamsters group in Detroit and take up other matters pertaining to contemplated groups.

The CHAIRMAN. That may be 206-C.

(The letter referred to was marked "Exhibit 206-C" for reference, and may be found in the files of the select committee.)

Mr. UHLMANN. This, I believe, is the last letter: On March 17, 1950, Allen Dorfman wrote Dr. Perlman as follows, in part. The subject is:

Re Jimmy Hoffa, 10,000 men group, State of Michigan. They are giving the insurance of the above-mentioned group to the Continental Casualty Co.

May I add parenthetically that reference is made here to the Michigan Conference of Teamsters coverage.

Mr. KENNEDY. That is to be contrasted with the Central States conference, which ultimately became Southeast and Southwest, and then also there was another group entirely unrelated which was the Michigan conference, and that is what he is talking about at this time. That had the Continental Assurance Co. They had as their carrier the Continental Assurance Co., and then for a very strange reason, as we will develop now, they switched over to the Union Casualty Co. and the Dorfman's.

Mr. UHLMANN. I should like to clarify this for a moment, if I may. In April of 1949, the Michigan conference had awarded its first insur-

ance contract, group insurance contract, to Continental Assurance. In March of 1950, it was renewed, and this letter relates to the first renewal of the Continental policy. It was written because of Dr. Perlman's rather keen disappointment in not having had the award made to his company, you see, and he had already just had the Central States insurance awarded to him just 2 days before.

Now, if I may continue with the letter:

They are giving the insurance of the above-mentioned group to the Continental Casualty Co.—

it should read Continental Assurance Co.—

who had submitted a bid of \$3.75. The reason for this is that they want to show whomever might have questioned the Central States conference deal that it was to be given to the lowest bidding company.

Now Jimmy has made the following statement to me which he has brought before his board, and has been agreed upon by both them as well as the employers, that if their experience this coming year with Continental does not prove to meet with their satisfaction, Union Casualty will then assume the risk.

It proved to be the fact. They got it the next year.

The CHAIRMAN. That letter may be made exhibit 206-D.

(The letter referred to was marked "Exhibit 206-D" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. This is extremely important, Mr. Chairman, once again to show that there were collusion and fraud involved in the awarding of these contracts. It has cost the Teamsters Union and the welfare fund hundreds and hundreds of thousands of dollars. Even back just after they awarded this insurance with this group to the Continental Assurance Co., they were even then making a deal and arrangement that when the year was up they were going to switch over to Union Casualty Co., with nothing to do with who was the low bidder.

Senator IVES. I wonder if Mr. Bellino has figured out how much it has cost.

Mr. KENNEDY. I think the actuary, who is an independent authority on this, can do that.

Senator IVES. Do you know?

Mr. MAYERSON. It is impossible to say exactly, and the big question is how much of these payments which the company claims were not directly charged to the groups, how much of this was indirectly charged to them, and this is impossible to determine without actually examining the books.

Mr. KENNEDY. The great problem here is that Mr. Dorfman has how many companies?

Mr. UHLMANN. Insurance and some others, 22 or 23 companies.

Mr. KENNEDY. All of which were necessary to go through, and as of this time he will not allow us to examine the claims; isn't that correct?

Mr. UHLMANN. That is correct.

Mr. KENNEDY. We have information and evidence to indicate that the claims are fraudulent and that they put in these claims when the claims do not actually exist, but yet Mr. Dorfman will not allow us to examine the claims or the correspondence files as of this time. This is the group that is covering this millions of dollars worth of insurance. How much in premiums have gone through Mr. Dorfman's office?

Mr. UHLMANN. Well, some \$89 million from May of 1949 up to a very recent date, of which some 90-odd percent represents the Michigan conference and the Central States group policies alone.

(Members of the select committee present at this point in the proceedings were: Senators McClellan, Ives, and Church.)

Senator IVES. Mr. Chairman, I would like to ask Professor Mayer-son a question about that.

Isn't Mr. Dorfman licensed to do business under the laws of the State of Michigan?

Mr. MAYERSON. I don't think so. He is licensed under the laws of the State of Illinois, and I believe all of these contracts were written as Illinois contracts.

Senator IVES. As Illinois contracts?

Mr. MAYERSON. I believe so; I am not sure.

Senator IVES. Has anything been done to bring this to the attention of the superintendent of insurance or the commissioner of insurance, whoever he is, of the State of Illinois?

Mr. MAYERSON. I don't know about that. I do know that Mr. Dorfman did hold a New York license which was revoked.

Senator IVES. I assume it would be, in New York.

Mr. KENNEDY. The important thing is, Mr. Chairman, that the Teamsters and Mr. Hoffa, even though his license was revoked, continued to have him. There has been nothing done about it.

Senator IVES. I want to point out that apparently it has not been revoked in Illinois; is that correct?

Mr. MAYERSON. That is correct.

Senator IVES. Something should be done by Illinois in a matter like this.

Mr. KENNEDY. Could we just trace through briefly for you with correspondence what happened on this Michigan Conference of Teamsters Welfare Fund?

You see from this letter that Mr. Uhlmann placed in the record, that even a year prior to this time, or just after the contract was awarded, they were discussing changing the carrier over to the Union Casualty Co.

I would like to have Mr. Bellino put in what other documents we have to show that when the year was up they did switch over and did give the insurance to Union Casualty Co.

TESTIMONY OF CARMINE BELLINO—Resumed

Mr. BELLINO. We have a copy of a letter dated March 5, 1951, from Ralph C. Wilson Associates, Inc., who were representing the Continental Assurance Co., to the Michigan Conference of Teamsters welfare fund, in which they state:

Due to your favorable loss ratio, the Continental Assurance Co. has agreed to increase the benefits under the various policies—

and then they list the various increases that they are going to make, and they state that—

the monthly rate for this coverage will remain the same, at \$3.75.

Mr. KENNEDY. This is after Continental Assurance had this business for about 2 years, and they wrote and said because of the ar-

rangement that they would be able to increase the benefits and they wouldn't have to increase the premium?

Mr. BELLINO. That is correct.

Mr. KENNEDY. Is that correct?

Mr. BELLINO. Yes.

Mr. KENNEDY. That letter is dated March 5, 1951.

The CHAIRMAN. That letter may be made exhibit 207-A.

(The letter referred to was marked "Exhibit No. 207-A" for reference and may be found in the files of the select committee.)

Mr. BELLINO. On March 8, 1951, Mr. Hoffa, who has nothing to do with the Michigan Conference of Teamsters, is not a trustee of the welfare fund, sends a letter to Ralph C. Wilson Associates, and signs it as president, Michigan Conference of Teamsters, and he says:

This is to notify you of the desire of the Michigan Conference of Teamsters on behalf of its affiliated local unions to discontinue the various policies. The above-mentioned policy numbers take in all policies which have been contracted for between your agency and the Michigan Conference of Teamsters.

In other words, it goes on that it cancels the welfare fund of the Michigan Conference of Teamsters, and on the very same day, without any bids of any kind, they send a \$50,000 check to the Union Casualty Co., dated March 8, 1951, which \$50,000 ends up in the United Public Service, Dr. Perlman's service company.

Mr. KENNEDY. And at that time, Mr. Hoffa had no official position with the Michigan Conference of Teamsters welfare fund?

Mr. BELLINO. That is correct. He had no authority.

Mr. KENNEDY. And yet he is the one that wrote the letter canceling the business?

Mr. BELLINO. That is correct.

Mr. KENNEDY. And on the same day, \$50,000 was sent to the other insurance company?

Mr. BELLINO. That is correct.

The CHAIRMAN. That letter may be made exhibit No. 207-B.

(The letter referred to was marked "Exhibit No. 207-B" for reference and may be found in the files of the select committee.)

Mr. BELLINO. As of April 1, that year, the Union Casualty became the carrier for the Michigan Conference of Teamsters welfare fund.

On July 13, 2 months later, 1951, the Michigan Conference of Teamsters sent a check for \$250,000 to the Union Casualty Co., buying some of their stock. We find a letter which Mr. Uhlmann located in the files of the Union Casualty Co., addressed to Alfred—I believe it is Alfred Lewis—from Dr. Perlman. It is dated July 16, 1951.

With reference to our discussion Friday morning with regard to the increase of surplus and capital of the company, I wish to advise you that we received today a check in the amount of \$250,000 issued by the Michigan Conference of Teamsters Fund, Inc.

It is signed "Leo."

There is a note from Alfred to Leo:

Dear Leo, this is really wonderful news. Now you can begin to go places financially.

It is signed "Alfred."

The CHAIRMAN. That letter may be made exhibit 207-C.

(The letter referred to was marked "Exhibit 207-C" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. So the Teamsters took \$250,000 and invested it in this company, Mr. Chairman.

Senator IVES. Mr. Chairman?

The CHAIRMAN. Senator Ives.

Senator IVES. While there is a pause in the testimony, I would like to hark back a little bit to the testimony I believe Professor Mayerson gave, when he stated he understood that Mr. Dorfman's license had been suspended or revoked by New York State.

Mr. MAYERSON. This was several years ago, October 1954, I am told. The New York State Insurance Department, as I remember it, wanted to look at his books and he refused to let them see it. His license was then revoked. He later applied for relicensing—

Senator IVES. Reinstatement?

Mr. MAYERSON. Reinstatement—thanks.

For reinstatement of his license, but he did not offer to submit his books at that time, and I believe the New York department took no action.

Senator IVES. I have just been advised that that was the situation. I would like to bring that to the attention of the authorities in Illinois.

Mr. KENNEDY. Now, Mr. Chairman, there is one other phase. Not only is there loss of money to the welfare fund by making this arrangement, the excessive premiums, the benefits for the Dorfman's, but what was the result, as far as the individual Teamster member was concerned, on some of these things?

Mr. Uhlmann, can you give us some information regarding whether the benefits for the individual teamster had to be decreased for at least one of the policies?

TESTIMONY OF MARTIN S. UHLMANN—Resumed

Mr. UHLMANN. Yes. In the case of the Michigan Conference of Teamsters policy—

Mr. KENNEDY. Which is the one we just discussed.

Mr. UHLMANN. It was up for renewal on April 1, 1952. In other words, they had the first policy year run from April 1, 1951, to March 31, 1952. In light of what Dr. Perlman represented to be a rather high loss ratio, that is, the claims he alleged were too high for him to absorb in order to also manage that 17.5 percent retention, he insisted upon an increase in the premium rates as well as a reduction in the benefits for particularly the dependents of the members. He got both.

Mr. KENNEDY. It was an increase in the rates and a reduction of the benefits?

Mr. UHLMANN. Yes.

Mr. KENNEDY. I would like to ask the Professor, just to break in for a moment:

Professor, did you find from your summary that there was a high loss ratio and that this step was necessary, in the Michigan conference?

Mr. MAYERSON. I really didn't examine the Michigan conference quite that closely. I have some figures here, though, and I can take a quick look at them.

In the very first policy year, the premiums were \$1,089,000 on the accident and health part of the Michigan conference. The claims were \$1 million. The retention was sufficient to pay commissions, other acquisition costs, premium taxes, and claim expenses. But according to these figures which, by the way, were furnished by the company, I just took them as they gave them to me, the company had a negative, a deficit of \$1,714 to apply against their home office expenses, and so on. So apparently there was a deficit in the first policy year.

The CHAIRMAN. That is, there was a deficit according to their bookkeeping and the claims that they allowed?

Mr. MAYERSON. According to their figures, yes, sir.

Mr. KENNEDY. Go ahead. And what was the reduction that they gave in the Michigan conference? How did they reduce the benefits?

Mr. UHLMANN. The premium rates were increased by 25 cents per member per month, which is quite an item, and the dependents' benefits were reduced, so that the surgical schedule, for example, which had a maximum of \$300, was cut by one-third, or a limit of \$200, and some of the maternity benefits were rather materially reduced.

The CHAIRMAN. What benefits?

Mr. UHLMANN. Maternity.

Mr. KENNEDY. Do you have a memo on that?

Mr. UHLMANN. Not for that year.

Mr. KENNEDY. Let's have those figures, the situation.

Mr. UHLMANN. In the files of Union Casualty Co. there was found a memorandum, a confidential memorandum, dated October 17, 1956, written by an officer of the company to the president of the company, in which he makes reference to a testimonial dinner that was given for two officials of the International Brotherhood of Teamsters. They were Mr. English and Mr. Conklin.

The CHAIRMAN. English and who?

Mr. UHLMANN. Conklin.

Mr. KENNEDY. He is a vice president up in New Jersey. The important thing is—

Mr. UHLMANN. Then he proceeds to say that he received a confidential telephone call from Mr. Holmes, who, at the time, was a labor trustee on the Michigan Conference of Teamsters welfare fund. He received that call on the morning of October 17. He says this:

Mr. Holmes advised me that the trustees at their meeting today agreed as follows.

Mr. KENNEDY. And the meeting was with Mr. Hoffa; was it not?

Mr. UHLMANN. Yes.

Mr. KENNEDY. All right.

Mr. UHLMANN [reading]:

1. Effective December 1, new enrollees—

new members—

would receive only 50 percent of the benefits as were enumerated in the policy. When I pressed him as to which plan they adopted as outlined in the report which was prepared by Mr. Kunis—

he, incidentally, was the actuary for the company—

he informed me this was unimportant, but the important thing was that they agreed to cut the benefits in half for these new members.

Then he went on to say they agreed to cut the miscellaneous hospital charges from \$160 to \$25.

Mr. KENNEDY. That is the second one?

Mr. UHLMANN. The second cut.

Mr. KENNEDY. The second was the tonsils from \$160 to \$25?

Mr. UHLMANN. That is right.

Mr. KENNEDY. What was the third reduction?

Mr. UHLMANN. They agreed—

Mr. KENNEDY. The baby charges?

Mr. UHLMANN. Yes, in the case of baby charges, that they had a cut made there from \$150 to \$100.

Mr. KENNEDY. They agreed to eliminate baby charges—

Mr. UHLMANN. I am sorry. To eliminate baby charges altogether.

Mr. KENNEDY. Under the maternity clauses for dependents?

Mr. UHLMANN. That is right.

The CHAIRMAN. What other substance is left in a maternity clause if you take the babies out?

Well, proceed.

Mr. KENNEDY. And the fourth one, they agreed that hospital outpatient charges for both the member and the dependent should be reduced from \$160 to \$25?

Mr. UHLMANN. Yes.

Mr. KENNEDY. And they would not agree to any change in a surgical schedule as it pertains to appendectomy?

Mr. UHLMANN. That is right. I think it is important to point out that this letter, as I stated, this memorandum, rather, as stated earlier, was dated October 17, 1956, in relation to benefits that were going to be cut effective December 1, 1956.

The CHAIRMAN. That memorandum may be made exhibit No. 208.

(Memorandum referred to was marked "Exhibit No. 208" for reference and may be found in the files of the select committee.)

Mr. UHLMANN. So far as the amendment to the contract was concerned, it was not executed until June of 1957, but made retroactive to December 1, 1956. I might add that by that time they were in a new policy year because the policy year begins April 1, or did begin April 1, 1957. Yet they made it retroactive to December 1 of 1956.

Mr. KENNEDY. Tell me this, on the \$250,000 that the Teamsters invested in this company, have they received any dividends on that \$250,000?

Mr. UHLMANN. No; they never have. The investment initially was made in July or August of 1951, and they have never received a dividend to date.

Mr. KENNEDY. Have they invested more money in the company?

Mr. UHLMANN. Yes; they have. On December 31, 1955, they invested an additional \$100,000 to convert the preferred stock which they held into common.

Mr. KENNEDY. So they have \$350,000?

Mr. UHLMANN. They have \$350,000.

Mr. KENNEDY. Have they received any benefits on it, any premium?

Mr. UHLMANN. Not at all; no dividends.

Mr. KENNEDY. When you went through all the documents of the union, did you find the pertinent documents were still available, some

of the documents that you quoted from today, the letters? Were they missing or were they there?

Mr. UHLMANN. Well, I would say that the files were rather incomplete, largely because, I would presume, that Dr. Perlman, who was acting in a dual role as executive vice president of the insurance company, which is the underwriter, and at the same time as executive vice president of the United Public Service Co., which, incidentally, was the managing agent for this insurance company and, of course, received substantial commissions on all business that was done by the Union Casualty Co. It is from that company that Dr. Perlman had derived some \$600,000 in total income over a period of years, on an investment of \$60, by the way.

The CHAIRMAN. How much?

Mr. UHLMANN. \$60.

The CHAIRMAN. \$60?

Mr. UHLMANN. Yes, sir.

The CHAIRMAN. And pyramided it into \$600,000?

Mr. UHLMANN. At least that; yes.

The CHAIRMAN. At least that much?

Mr. UHLMANN. Yes; he is still deriving some \$5,000 to \$10,000 a year from that company.

Mr. KENNEDY. I am thinking chiefly about the Michigan Conference of Teamsters welfare fund. Was any of their correspondence, any of their documents, memorandums, during this pertinent period of time available?

Mr. UHLMANN. Yes, they were, to a degree.

Mr. KENNEDY. Prior to 1953?

Did you make a study of that?

Mr. BELLINO. Yes, sir. None of these documents were available in the Michigan Conference of Teamsters welfare fund. The early correspondence nor the minutes of 1953 of the Michigan Conference of Teamsters welfare fund have never been made available.

Mr. UHLMANN. I am sorry, I didn't understand your question. I was not in the welfare fund office at all. I am sorry.

Mr. KENNEDY. Mr. Chairman, we have also made some study of the degree of entertainment that was going on in this period of time, when the insurance was granted to these individuals. We will have more information at a later time regarding the payments of moneys. I would like to have Mr. Findlay give some testimony in connection with that.

The CHAIRMAN. Do you solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. FINDLAY. I do.

TESTIMONY OF JOHN P. FINDLAY

The CHAIRMAN. State your name, your place of residence, and your present employment.

Mr. FINDLAY. My name is John P. Findlay. I reside at Freeport, N.Y. I am a CPA and on the temporary staff of the committee.

The CHAIRMAN. You are with the General Accounting Office here?

Mr. FINDLAY. I am with the Department of the Army, the Army Auditing Agency.

The CHAIRMAN. But you are a CPA?

Mr. FINDLAY. That is right.

The CHAIRMAN. Proceed.

Mr. KENNEDY. The Secretary of the Army was kind enough to loan him to the staff of the committee, and he has been working on the Dorfman investigation for some months, Mr. Chairman.

The CHAIRMAN. All right.

Mr. KENNEDY. Can you give us any information, Mr. Findlay, in connection with the amount of charges for entertainment during the period of time that these bids were in to the Teamsters in connection with the awarding of this contract?

And could you also tell us whether you have any records to show who was being entertained during this period of time?

Mr. FINDLAY. The Department of Insurance of the State of New York requested Dr. Perlman to furnish them with information in connection with disbursements which he had made without submitting vouchers in support thereof.

A letter of July 25, 1952, from Dr. Perlman to Sidney E. Gaines, of the Insurance Department of New York, indicated that in the period 1950-51, Dr. Perlman had expended \$34,000 on entertainment in connection with new business, principally union business. Of the \$34,000, in 1950 there was \$5,350 in connection with the entertainment of individuals. In 1951 there was a total of \$31,950 entertainment of union officials.

In addition to that, in 1950, there was \$7,000 spent for Christmas gifts, and \$7,700 for Christmas gifts.

The CHAIRMAN. Two items?

Mr. FINDLAY. \$7,700 in 1951 on Christmas gifts.

Mr. KENNEDY. How much in 1950?

Mr. FINDLAY. In 1950, \$7,000.

Dr. Perlman states: The Christmas gifts given both in 1950 and 1951 ranged from expensive writing sets, wristwatches, luggage sets, liquor, shirts, ties, and men's jewelry—

And he submits a schedule showing the names of the individuals who got the Christmas gifts in both years.

In 1950 there are 60 individuals listed, and 1 union.

Included in this 1951 listing are the names of Bert Brennan, James Hoffa, Don Peters, Cabell Cornish, Robert Holmes, Frank Fitzsimmons, and local 259. That is 60 names for \$6,000, and 1 local.

In 1950 there are 73 names, and 2 locals, local 813, Christmas party; local 259, Christmas party. And included in the 73 names are those of Bert Brennan, James Hoffa, Don Peters, Frank Fitzsimmons, Joe Jacobs, Mr. and Mrs. Allen Dorfman, and Tom Flynn.

With respect to the individual vouchers for which he had made no submission, he gives the date of entertainment.

In 1950 he said, "Statement of disbursements for the year 1950 for which no vouchers were submitted," and there are seven dates given, January 15 to the 17 in Chicago:

Preliminary negotiations on the Central States drivers, 22,000 members. Entertained Bert Brennan, James Hoffa, Don Peters, Ed Fenner, Morris B. Sachs, Joe Jacobs, Allen Dorfman. Entertained at Chez Paree, Shangri-la, Swiss Chalet. Spent approximately \$400.

On January 30 to February 3, in Chicago:

Preliminary negotiations on the Central States drivers. Entertained James Hoffa, Tom Flynn, Michael Healey, Phil Goodman, Allen Dorfman, Lynn Williams, Mr. and Mrs. Paul Dorfman, William Smith. Entertained at Chez Paree, Fritzl's, Miller's Steak House. Spent approximately \$600.

That is a sample of the vouchers.

The CHAIRMAN. That letter and the attached documents to it from which you have been testifying may be made exhibit 209.

(The letter and attached enclosures were marked "Exhibit No. 209" for reference and may be found in the files of the select committee.)

The CHAIRMAN. Are there any questions on this?

Senator CHURCH. Mr. Chairman?

The CHAIRMAN. Senator Church.

Senator CHURCH. Has counsel concluded with the witnesses, or are there further witnesses?

Mr. KENNEDY. I think that summarizes it, that that is the situation as far as we can go without the Dorfman's.

Senator CHURCH. I just want to say, Mr. Chairman, that in these last 2 days, the disclosures, the shocking disclosures, that have been made here before the committee, seems to indicate that there is just no end to the scandal in the Teamsters Union.

I want to commend the investigative staff of this committee for the very thorough and penetrating work that they have done. Evidently the treasury of the Teamsters Union seems to have attracted a host of parasites, like a strong arc light attracts bugs. They are eating away on the body of the Teamster membership, who just must not realize how they are being ill used. I think that the investigative staff is deserving of the strongest commendation for the thorough work that has been done here. I am certainly hopeful that these exposures will alert the membership and the people of the United States in such a way as to furnish an adequate remedy.

The CHAIRMAN. Thank you, Senator Church.

Senator Ives?

Senator IVES. I want to join Senator Church in his remarks, because the farther we have progressed in this whole investigation, not just this particular one, dealing with Mr. Hoffa himself, but the whole thing, the more I have become impressed with the great job which our staff has been doing. Without this staff we wouldn't have gotten anywhere.

We have uncovered a great record of misconduct, if you want to be gentle in the phrase, which we have presented to the American people.

I join my friend from Idaho in hoping that the American people will rise up and demand that this thing be corrected.

Again I reiterate what I said the other day, that the place to start this business is on the home ground, right at the grassroots. Insist on law enforcement, because more damage is being done in this field by lack of law enforcement than because of any other reason. Then on top of that, I think, Mr. Chairman, we are going to have to have some legislation. We tried to get some this year. We didn't succeed very far. On the whole, I think that, as far as we have gone into this whole thing, what we have done is a vindication of our efforts and shows the great need for the investigation which has been made.

I want to congratulate you, Mr. Chairman, as I close, on the way in which you have handled this work. It has been arduous, long, and trying for you. I know at times it has been very painful to you, one way or another, to have to sit here through all these long hours, as you have had to be the one who has had to do it. I don't think any of us can express adequately our feeling of appreciation for what you have done. It has been a magnificent job and a tremendous service to the people of the United States.

Senator CHURCH. On that, Mr. Chairman, I want to join with my colleague, Senator Ives, in giving you my fullest commendation for the work you have done.

The CHAIRMAN. The Chair wishes to thank his colleagues for their complimentary references to his efforts in presiding over the hearings and directing the strenuous and arduous task of this committee.

I may say that no chairman, however, could direct or conduct an effective investigation and keep it on the track and on a plane of dignity and decorum except that he has the cooperation and support of the other members of the committee.

The Chair has been very fortunate in having not only the sympathetic understanding of the problems and difficulties inherent in this job from his colleagues, but we have enjoyed splendid and most excellent cooperation; we have all been working as a team in carrying out the assignment entrusted to us by the Senate of the United States.

I feel that we have observed the bipartisan aspects of the duties assigned to us. The things that we have been inquiring into, the criminal and improper practices that we have exposed, that these investigations have revealed, particularly those that are definitely reprehensible, and those that come within the purview of questionable, transcend in importance and ultimate consequences any partisan aggrandizement or self-serving effort. This is an effort for all Americans, through their chosen representatives in the U.S. Senate, regardless of party. It is a labor that will inure greatly to the benefit of working people in this country, assuming that our work here comes into fruition with the character of legislation that these revelations indicate is needed.

It will be the working people of this country, the dues-paying members of labor organizations, that will reap the most good from the services this committee has humbly tried to perform.

The Chair will insert into the record as a closing statement a summary of these hearings, what has been established, and what the record will reveal, with some observations of his own with respect thereto.

In the course of that comment, the Chair will make reference to those members of the staff who have so faithfully and devotedly done the work, the detail work and the organization work, in searching out the information these hearings have disclosed. Without a staff that is competent, without a staff that is loyal and devoted and vigilant, we could not possibly bring these facts to the Congress and to public attention. The searching out and the getting of this information, and the coordinating it and piecing it together so you can see the true picture of these activities and practices, is not an easy task. It takes skilled, competent, able staff members to do it.

I have said before, and I say again, that we have been most fortunate in the staff members that we have had helping us, that we were able

to procure; and that applies both to the professional and also to the clerical staff.

When we close this series of hearings—I understand Mr. Previant wishes to address the Chair about something—when we close these hearings today, it is anticipated as of now that we will not resume public hearings, until possibly the week of the 10th of November. That does not mean if some situation arises where a session of the committee may be needed that the Chair will not call it sometime before that date.

We will adjourn subject to call, but we are hopeful that nothing will arise that will necessitate our resuming public hearings until the week of November 10.

Is there anything I have overlooked?

MR. KENNEDY. I haven't said anything about any member of the staff in prior hearings, but we have had a large number of people that have worked on this investigation, and I just wanted to mention Mr. Bellino particularly, who spent so much time over the period of the past months working on this investigation. He has been away from his family for most of the year, and he has spent to my knowledge every Saturday and Sunday for a period of 7 or 8 months at least in connection with this matter. His courage and work and interest in the subject has been invaluable to all of us, and I think it has been an inspiration to every other member of the staff, including myself, in connection with this investigation.

THE CHAIRMAN. The Chair would make it very plain that when he refers to the staff of the committee, I am not only including the staff regularly employed by the committee, but the able people who have been made available to us by other agencies of the Government, and particularly the General Accounting Office, the Department of the Army, and the Department of the Treasury, and other agencies that have so well cooperated with us.

In appreciation of our task and the importance of it, they have made available to us some of their very best people.

SENATOR IVES. Mr. Chairman, I wish to associate myself with the remarks of yourself and the counsel, which are so deservedly made. The work that they have done more than deserves the remarks we have made, and I do not think we can fully express what they actually deserve.

THE CHAIRMAN. Now, Mr. Previant, will you come around for a moment, please?

STATEMENT OF DAVID PREVIAINT

MR. PREVIAINT. My name is David Previant.

THE CHAIRMAN. Do you want to testify?

MR. PREVIAINT. I want to make a short request of the committee in connection with the last testimony.

THE CHAIRMAN. You represent Mr. Hoffa?

MR. PREVIAINT. I have represented Mr. Hoffa in these proceedings, and at this time I make this request on behalf of the many unions that participate in these health and welfare funds which were the subject of the last testimony. Now, I make it for this reason: I appreciate the fact that counsel pointed out that this presentation was

rather sketchy, and it was not as complete as he had hoped he would be able to make it. I have no reason or any basis for challenging at this time either the accuracy or the competency of the testimony that was offered here. However, I believe that it is not complete, and I believe that there is very much more to the story, and I know, for example, that Professor Mayerson and the actuary for the insurance company worked together on this problem for many months last year, and I believe that their ultimate conclusions on the overall history of these funds over a period of 8 years was not a very divergent one and their points of view are not very far apart.

That part of the story we don't have. The story about the reduction in benefits is incomplete. The story about fraudulent claims, I am not so sure that I understood this, but I know that Mr. Aporta of your staff has been in the Central States office for several months very carefully checking our claims procedures. I don't know whether any reflection was intended on those claims or the method of handling or there was any suggestion that there was any fraud in that connection.

Mr. KENNEDY. We can quickly clean that up. Could you guarantee to us that we can make an examination of the claims in connection with this insurance?

Mr. PREVIAINT. I can speak for the fund itself and its trustees, and I cannot speak for the insurance agency.

Mr. KENNEDY. That is what the testimony was about, and that was such a key question here.

Mr. PREVIAINT. I think all of the claims are recorded in our fund office, and I believe they were all traced, or at least samples were traced through by Mr. Aporta. That is my information from Mr. Aporta.

Mr. KENNEDY. We need the details, and I think it would be very helpful to the attorneys and anybody who was interested in the insurance, and the members of these unions getting the best possible coverage, if they could press for the opportunity to make an examination of these claims; I think that we can come up with some information.

Mr. PREVIAINT. That is the point. We have some 100,000 families involved, and I would not want the press or this committee to get the impression that their interests or stake in these funds is in any way jeopardized by what has been going on in those funds. I think that in fairness to the employer trustees and to the union trustees, the staff of this committee should not close this record on this point without assuring us the opportunity to present the full story so that there be no loss of assurance among the very many beneficiaries of these funds.

The CHAIRMAN. You take this record and you can look into it, and if you find any real errors in it, you submit that information to the committee, and we will consider it.

Mr. PREVIAINT. I was not suggesting errors. I was suggesting incompleteness.

The CHAIRMAN. If you find it is incomplete, where the completion of it will present an entirely different picture to that which has been portrayed here, you submit that to the committee, and the committee will consider further hearings.

Mr. PREVIAINT. This is the opportunity we would like.

Thank you.

The CHAIRMAN. The committee now concludes 7 weeks of public hearings, in which it has taken volumes of testimony on the practices and policies of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America and that union's general president, Mr. James R. Hoffa.

The extraordinary powers of the Teamsters Union are such that it can exercise dominant control over the Nation's entire economy. As Mr. Hoffa stated recently in Seattle, the Teamsters Union could, at its will, shut down the commerce of the Nation.

This excessive power is within itself frightening, but when reposed in men who are unscrupulous in its use, it signals grave danger of more than disturbing proportions.

Mr. Hoffa has not hidden his ambition to increase and fortify these vast powers through alliance with other transportation and seafaring unions. Already he has implemented this plan by a pact with the National Maritime Union, the development of a closer understanding with the racket-controlled International Longshoremen's Association on the east coast, and preparations for meetings with the leftwing controlled International Longshoremen's and Warehousemen's Union of Harry Bridges on the west coast. The welding of Hoffa's powers with those inherent in these other organizations has grave implications for the destiny of our national economy.

No family in this country, no matter where they may live, can escape the repercussions. All of our lives are too intricately interwoven with this union to sit passively by and allow the Teamsters (under Mr. Hoffa's leadership) to create such a superpower in this country—a power greater than the people and greater than the Government. This situation even now is critical for the Nation.

Let us examine the record of testimony before the committee:

Mr. James R. Hoffa has not only placed hoodlums and men with criminal records in key positions in the union, but he and his chief lieutenants have consorted with the major racketeers and gangsters in the United States from New York to California, from Florida to Michigan.

The record is replete with testimony that Mr. Hoffa considers the International Brotherhood of Teamsters as his personal union—to do with what he will. He spends the union's funds as if they were his own, and handsomely takes care of his cronies and friends. The accessibility of these vast funds to Hoffa and his friends is something akin to again finding "the goose that laid the golden egg."

As George Meany, the president of the AFL-CIO, stated to a union convention several weeks ago:

Not a single union that came under the control of this man that he didn't in some way dip into its treasury and use its money for some purpose other than a trade union purpose. And in using this money there was always some little gimmick there for himself and his hoodlums connected with him.

When Hoffa was asked why he had deposited \$300,000 in a Florida bank, the Teamster leader answered, "Because I wanted to." This was his answer in connection with over a quarter of a million dollars in union funds. However, it is deeper than that. It is typical of

Hoffa's arrogant disrespect for the members of his union, for the general public, and for the U.S. Government.

This \$300,000 was part of a half million dollars in union funds moved by Hoffa to the Florida National Bank in Orlando, Fla., where no interest was paid to assure the lending by the bank of a similar amount to Sun Valley, Inc., a land scheme being promoted by Henry Lower, a Florida Teamster official. While blandly asserting that all he wanted to do was help Teamster members buy lots and prepare for retirement in the Florida sunshine, Hoffa admitted that he and his partner, Owen Bert Brennan, had an option to buy 45 percent of the Sun Valley Development at its original cost—an option they surely would have exercised at a tremendous profit to themselves, had not this committee begun an investigation into the transaction. By diverting some \$300,000 of Sun Valley funds to other speculative enterprises in Michigan and other places, Lower bankrupted the Florida development project. The Teamster member arriving in Florida to start his long-awaited retirement can now only gaze across acres of undeveloped land.

Here are other examples of how union funds have been used under Hoffa's direction.

1. \$1 million in funds of the Michigan State Conference of Teamsters Welfare Fund was loaned to the Winchester Village land development in Detroit, Mich. The loan was based on fraudulent representations by the land scheme promoters—representations which could easily have been checked, and the fraud involved discovered. Through unbelievable negligence or dishonesty, not 1 penny of the million-dollar principal has been returned to the Teamsters, and some \$60,000 to \$70,000 of interest is now in default.

During this same period, some \$1,200,000 has gone to the promoters of this land development scheme—money which rightfully belongs to the Teamsters. As of now, the union has been forced to foreclose in order to salvage what they can, and the loss to the Teamsters obviously will exceed some \$700,000.

2. The Michigan Conference of Teamsters Health and Welfare Fund loaned \$1,200,000 to the John W. Thomas Department Store in Minneapolis, Minn., a store which Hoffa's friend, Benjamin Dranow, had acquired with an investment of slightly more than \$14,000. That enterprise, too, is in bankruptcy. Dranow has disappeared with more than \$100,000 of the store's funds, and the union again faces long litigation in an effort to get back its investment.

3. Hoffa's local 299, Brennan's local 337, and the Michigan Conference of Teamsters Welfare Fund loaned \$175,000 to the Marberry Construction Co. in which Teamster Attorney George S. Fitzgerald and Teamster Accountant Herbert Grosberg had a financial interest. In addition, the Michigan Conference of Teamsters Welfare Fund loaned \$135,000 to Grosberg's father, Benjamin Grosberg, for investment in the Union Square Agency, an insurance setup in which George S. Fitzgerald, Teamster attorney, and Herbert Grosberg, Teamster accountant, had an interest.

4. \$1 million in funds of the Teamsters Central States Southeast-Southwest Health and Welfare Fund was loaned to two Cleveland racetracks, and another \$1,250,000 to a luxury Miami hotel.

5. There was clear testimony that the \$1,400,000 paid in health and welfare fund commissions to Allen Dorfman's Union Insurance

Agency in Illinois for the last 7 years exceeded by \$1 million the commission which should have been paid. There is also clear testimony that Mr. Hoffa, by awarding the health and welfare fund to Union Casualty Co.—even though it was not the lowest bidder—caused the welfare fund to suffer a loss of some \$600,000, in the first 3 years of its operation.

6. Two close friends of James Hoffa, James Hannan and John McElroy, were able to build the Maybury Grand Sanitarium without putting up a penny of investment. The Teamsters Union put up the money to originally purchase the building, and \$240,000 more came from the funds of the Michigan Conference of Teamsters health and welfare fund to remodel and furnish the sanitarium. This money was loaned on the basis of an appraisal which Mr. Hoffa and other Teamster officials knew were false. Furthermore, it was explained to the promoters that if the tenure at any time went sour, the Teamsters would take it over, but otherwise it would remain in their hands.

Union funds have been loaned to gangsters and racketeer friends of Hoffa, and have been used for Hoffa's personal benefit. There is testimony in the record that union funds were used to pay Teamster business agents while they were working on Mr. Hoffa's summer hunting camp and that union funds were used to purchase supplies for his camp.

When Hoffa and Brennan took over the management of prize fighter Embrel Davidson, he was placed on the payroll of the Michigan Conference of Teamsters health and welfare fund at a salary of \$75 a week. In the 2 years that this arrangement lasted, the fighter was paid some \$8,000, while admittedly doing no work other than an occasional trip to the racetrack to help Brennan with his horses.

Mr. Hoffa evidenced complete lack of respect for human integrity and a defiant attitude toward the Government itself. In his world, he appears to labor under the belief that there is nothing that cannot be fixed. Always around him for the protection of himself and his hoodlum friends is a staff of a dozen highly paid attorneys, costing the union hundreds of thousands of dollars each year.

His moral standards appear to countenance the cheat, the lie, the steal and violence to gain his ends; and he evidences shock and amazement that anyone should think there is something wrong with these practices, or that they do not believe in that way of life.

The committee has established substantial evidence that Mr. Hoffa did not tell the truth before the committee when he stated that his only interest in David Probstin's State Cab Co., was an \$8,000 loan. He repeatedly denied that he had any further financial interest in that company.

The committee has sent to the Department of Justice the records indicating that the State Cab Co., which allegedly belonged to David Probstin, was, in fact, set up, established, and financed by Mr. Hoffa and Mr. Bert Brennan. We hope the Justice Department will pursue expeditiously this apparent willful perjury.

The recent hearings have again demonstrated the continuing lack of democracy within the Teamsters Union through oppressive tactics against rank and filers seeking to oust corrupt leaders placed in locals under the trusteeship of Hoffa and his principal lieutenants. The low percentage of votes at the international convention of the Teamsters

Union in Miami last October, which can be shown to be legal, is another indication of this lack of democracy.

When Mr. Hoffa was before the committee last year, he promised to take steps to clean up the Teamsters Union. If he has made any effort in that direction—and none is apparent—he has miserably failed.

While generally it is hoped that improvement can be made in the worst of any bad situation, that small hope, in this instance, grows dimmer with each succeeding revelation made with respect to Mr. Hoffa's administration and the improper practices and activities that he either condones or approves.

Corruption breeds corruption; violence breeds violence. The flagrant disregard for the fundamental rights of human beings and union members seems to be enmeshed throughout the hierarchy of the Teamsters Union. Like a cancer or any malignant growth, it must be attacked at its source—and the source of the cancer in the International Brotherhood of Teamsters today obviously stems from the leadership and influence of James R. Hoffa.

This committee does not have the power to tell the Teamsters what to do, nor can it tell Mr. Hoffa what to do. But the committee is convinced that there cannot be, and that there will not be, any cleanup of this great and powerful organization under the administration of James R. Hoffa. If Mr. Hoffa's lofty sentiments about the welfare of union members and the working people of this country have the slightest validity, it should be perfectly apparent to him that the welfare of the Teamsters, the interest of decent unionism, and the American labor movement as a whole would be greatly served by his immediate resignation or removal as president of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers of America.

During the last week of testimony Mr. Hoffa presented to the committee a list of Teamster officials in an effort to show that he had started a cleanup within the union. Mr. Hoffa acknowledged that this list was incomplete and asked the committee to prepare a new list for him. At his request, therefore, we are appending to this statement a list of Teamster officials about whom there has been derogatory information or testimony before the committee. It should be noted that of the 141 names, some 55 are no longer connected with the Teamsters Union. However, in not one case was the removal of this person from the Teamsters Union attributable to an act of Mr. Hoffa. Of the 141 names listed, 73 invoked the fifth amendment while testifying before the committee and refused to answer a total of 3,044 questions on the grounds that answers to these questions might tend to incriminate them.

A great number of the persons now listed as not being with the Teamsters Union were connected with the so-called New York phony locals. Following the hearings of our committee the Teamsters made no efforts to take over these locals and protect the rights of the membership, allowing the corrupt leaders of these locals to take them out of the Teamsters and form independent unions which are now in operation in New York. In addition, a number of the persons now listed as not being connected with the Teamsters Union have

left the union because they were sent to the penitentiary for criminal acts.

I would like to express the committee's sincerest appreciation to the following members of the staff who, under the competent direction of Chief Counsel Robert F. Kennedy, assisted in the preparation for these hearings.

Jerome S. Adlerman
John A. Aporta
Carmino S. Bellino
LaVern J. Duffy
John P. Findlay
Edward M. Jones
Arthur G. Kaplan
James P. Kelly

John P. Constandy
Irwin Langenbacher
James J. P. McShane
Joseph F. Maher
George H. Martin
Walter R. May
Ralph W. Mills
James F. Mundie

Harold Ranstad
Pierre E. G. Salinger
Walter J. Sheridan
Paul J. Tierney
Martin S. Uhlmann
Sherman S. Willse

The committee is also grateful to the following employees of the General Accounting Office who so ably assisted our staff in this case.

Hugh C. Alexander
Robert W. Bailey
Florence C. Boucher
D. W. Dicken
Thomas A. Eickmeyer
Robert J. Eilerman
Clarence C. Farley
Richard N. Ford
Marvin E. Gettle

Clayton D. Hebert
Walter H. Henson
Max D. Howard
Clare A. Kurtz
Charles W. Mattox
Luverne C. O'Brien
Cecil C. Orear
Paul T. Riebesell
Carl M. Schultz

Richard G. Sinclair
Wallace W. Sturtz
Helen M. Thorpe
Julius A. Utecht
Francis J. Ward
Luther L. White
Lehmann F. Woodside

Teamster officials about whom testimony has been adduced relating to improper activities:

Bernard Adelstein, local 813, New York City
Charles Amoroso, local 107, Philadelphia
George Baker (a/k/a Semelmacher), local 269, New York City
Robert Barney Baker, Central Conference of Teamsters, St. Louis and Detroit
Walter J. Baker, local 107, Philadelphia
Edward B. Battisfore, local 107, Philadelphia
Louis E. Battle, local 107, Philadelphia
Dave Beck, international president
Dave Beck, Jr., international organizer, Seattle.
**Ernest Belles*, local 390, Miami
Abraham Berman, local 107, Philadelphia
Louis Berra, local 688, St. Louis
Louis Bertucci, local 596, Philadelphia
H. L. Boling, local 515, Chattanooga
Joseph Bommarito, local 405, St. Louis
Owen Bert Brennan, local 337, Detroit
Sidney Brennan, local 544, Minneapolis
Frank W. Brewster, chairman, Western Conference of Teamsters, Seattle
Abe Brier, local 362, New York City
William E. Bufalino, local 985, Detroit
Tom Burke, joint council 43, Detroit
Alvy Bush, local 614, Pontiac
**Lawrence Camie*, local 688, St. Louis
Perry Cannaday, local 327, Nashville
Nathan Carmel, local 875, New York City
Joseph Cendrowski, local 107, Philadelphia
Clarence Clarke, local 258, New York City
James Cliff, local 337, Detroit
Raymond Cohen, local 107, Philadelphia
**Gerald Connelly*, local 544, Minneapolis
Antonio Corallo, local 239, New York City
David Cosentino, local 284, New York City
Theodore R. Cozza, local 211, joint council 40, Pittsburgh
Clyde C. Crosby, international organizer of the State of Oregon, Portland

Joseph Curcio, local 269, New York City
Harry Davidoff, local 258, New York City
John Durkin, local 229, Scranton
Frank Easton, local 269, New York City
Richard Easton, local 258, New York City
John "Jack" Elco, local 107, Philadelphia
Samuel "Shorty" Feldman, local 929, Philadelphia
Frank Fitzsimmons, local 299, Detroit
**Bryant Flick*, local 544, Minneapolis
Nicholas Frank, local 107, Philadelphia
Arthur Friese, local 107, Philadelphia
Norman Gessert, international organizer, Seattle
Harold J. Gibbons, international vice president, St. Louis
Joseph Glimco, local 777, Chicago
**Abraham Goldberg*, local 929, Philadelphia
Phillip Goldberg, local 239, New York City
Sam Goldstein, local 239, New York City
Abe Gordon, local 805, New York City
Nathan Gordon, local 651, New York City
Joseph E. Grace, local 107, Philadelphia
Joseph Grosscup, local 107, Philadelphia
Leaun Harrelson, local 614, Pontiac
Edward J. Hartsough, local 169, Philadelphia
Joseph Hartsough, local 107, Philadelphia
Herman Hendricks, local 688, St. Louis
Michael Hession, local 107, Philadelphia
James R. Hoffa, general president, Detroit
William Hoffa, local 614, Pontiac
Sidney Hodes, local 284, New York City
Milton Holt, local 805, New York City
Jack Jorgensen, joint council 32, Minneapolis
**Eugene C. "Jimmy" James*, local 985, Detroit
James Kant, local 258, New York City
Harry Karsh, local 447, St. Louis
Richard Kavner, Central States Conference of Teamsters, St. Louis
**Daniel J. Keating*, local 614, Pontiac
Herman Kierdorf, joint council 43, Detroit
Frank Kierdorf, local 332, Flint
Aaron Kleinman, local 875, New York City
Richard Klinge, local 690, Spokane
Nugent LaPoma, local 174, Seattle
Neil Lebin, local 258, New York City
Milton Levine, local 275, New York City
Harry Lindsay, local 107, Philadelphia
**Louis Lintean*, local 614, Pontiac
Joseph Lovelock, local 258, New York City
**Henry Lower*, local 376, Detroit
Peter Luscko, local 107, Philadelphia
Frank Malloy, local 223, Portland
Allen Manigault, local 355, New York City
Arthur Santa Maria, local 284, New York City
Dominick Santa Maria, local 284, New York City
**Sam Marosso*, local 247, Detroit
**Phillip Massicco*, local 445, Yonkers
Frank Matula, local 396, Los Angeles

Joseph Meglino, local 651, New York City
 Reginald Mikesell, local 501, joint council 37, Portland
 John Myhasuk, local 107, Philadelphia
 Joseph McHugh, local 229, Scranton
 Rolland McMaster, local 299, Detroit
 John McNamara, local 808, New York City
 Terry McNulty, local 174, Seattle
 Henry Newman, local 985, Detroit
 *Mike Nicoletti, local 247, Detroit
 Charles O'Brien, local 299, Detroit
 Charles O'Lear, local 107, Philadelphia
 John O'Rourke, international vice president, New York City
 *Joseph Parisi, local 27, New York City
 Edward Petroff, local 376, Detroit
 Atfred Petrozza, local 284, New York City
 William Presser, president, Ohio Conference of Teamsters, Cleveland
 Jack Priore, local 875, New York City
 Albert J. Ruhl, local 690, Spokane
 Phillip Reichart, local 405, St. Louis
 Harry Reiss, local 284, New York City
 William J. B. Reynolds, local 621, Knoxville
 Ben Saltzman, local 405, St. Louis
 Eugene San Soucie, president, Indiana Conference of Teamsters, Indianapolis
 Martin Schlanger, local 362, New York City
 Arthur Scott, local 355, Baltimore
 Stanley Seglin, local 362, New York City
 Glenn W. Smith, local 515, Chattanooga
 Sam Smith, local 795, Wichita, Kans.
 W. A. Smith, local 321, Nashville
 George Snyder, local 362, New York City
 *Zigmont Snyder, local 299, Detroit
 Michael Sobolewski, local 107, Philadelphia
 *Lester Stickles, local 445, Yonkers
 Leon Strauss, organizer, Philadelphia
 *John Sweeney, western Conference of Teamsters, Seattle
 Larry Anderson Thomas, local 596, Philadelphia
 Jack Thompson, local 332, Flint, Mich.
 N. Louis "Babe" Triscaro, local 436, Cleveland
 Ralph "Red" Vaughn, local 321, Nashville
 Don Vestal, local 321, Nashville
 Al Vignali, local 299, Detroit
 Fred Virgilio, local 284, New York City
 John Vitacco, local 258, New York City
 Branch Wainwright, local 245, Springfield, Mo.
 Edward Walker, local 107, Philadelphia
 Virgil Walters, local 823, Joplin, Mo.
 Cecil Watts, local 337, Detroit
 Floyd Webb, local 823, Joplin, Mo.
 Larry Welsh, local 985, Detroit
 Eugene Williams, local 544, Minneapolis
 Sam Zaber, local 275, New York City
 Gus Zapas, organizer, Indiana Conference of Teamsters, Indianapolis

*Were not Teamsters officials at the time of the hearing.

NOTE.—Italic indicates persons not now connected with the Teamsters Union.

Of the above, the following past and present officials of the Teamsters invoked the fifth amendment in appearances before this committee.

Charles Amoroso	Samuel Feldman	Charles O'Lear
George Baker	Nicholas Frank	John O'Rourke
Walter J. Baker	Arthur Frieze	Edward Petroff
Edward B. Battisfore	Norman Gessert	William Presser
Louis E. Battle	Sam Goldstein	Phillip Reichart
Dave Beck	Nathan Gordon	Harry Reiss
Dave Beck, Jr.	Joseph E. Grace	William J. B. McReynolds
Ernest Belles	Joseph Grosscup	Martin Schlanger
Abraham Berman	Edward J. Hartsough	Stanley Seglin
Louis Berra	Joseph Hartsough	Glenn W. Smith
Louis Bertucci	Herman Hendricks	W. A. Smith
H. L. Boling	Michael Hession	George Snyder
Joseph Bommarito	Sidney Hodes	Zigmont Snyder
Owen Bert Brennan	Milton Holt	Leon Strauss
Abe Brier	Eugene C. James	Larry Anderson Thomas
Perry Cannaday	Harry Karsh	Jack Thompson
Joseph Cendrowski	Daniel J. Keating	N. Louis "Babe" Triscaro
Max Chester	Herman Kierdorf	Ralph "Red" Vaughn
Raymond Cohen	Frank Kierdorf	Don Vestal
Antonio Corallo	Harry Lindsay	Branch Wainwright
David Cosentino	Frank Malloy	Edward Walker
Joseph Curcio	Arthur Santa Maria	Virgil Walters
Harry Davidoff	Sam Marosso	Floyd Webb
Frank Easton	Joseph Meglino	
John "Jack" Elco	John McNamara	

Gangsters and racketeers, about whom there is testimony re association with Teamster officials:

Ahmed Abass	Lew Farrell	Frank McLaughlin
Joe Adonis	Albert "Pasta" Fazula	Angelo Meli
Jimmy "Blue Eyes" Alo	Joseph Feola (a/k/a	Cornelius Noonan
Albert Anastasia	"Joey Surprise")	Santo Perrone
Tony Anastasia	Joe Ferrara	John Poole
Sam Berger	Sam Finazzo	Herman Prujanski
John Bitonti	Don Gentile	Raffaele Quasarano
Frank Cammarata	Charlie Harrison	Nicholas Ratenni
"Trigger Mike" Coppola	George Andrew Harvill	Sam Sellinas
Frank Costello	Wilburn Harvill	Andrew "Squint" Sheridan
Joe Costello	Jack Joseph	Benjamin "Bugsy" Segal
Paul DeLucia (a/k/a	Charles Kaminetsky	Vincent Squillante
Paul "The Waiter"	Milton Kazansky	Max Stern
Ricca)	Meyer Lansky	Bernard Tolkow
John Dioguardi	Ben Lapensohn	Carmine Tramunti
Barney Dandridge	Joseph Malloy	John Vitale
Anthony Doria	Thomas Maloney	
John "Cockeyed" Dunn	Vincent Marchesi	

All right. The committee stands adjourned, subject to the call of the Chair.

(Whereupon, at 4:25 p. m., the committee adjourned, subject to the call of the Chair.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

MONDAY, NOVEMBER 17, 1958

U.S. SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES IN THE
LABOR OR MANAGEMENT FIELD,
Washington, D. C.

The select committee met at 2 p. m., pursuant to recess, in the caucus room of the Senate Office Building, Senator John L. McClellan (chairman of the select committee), presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator Sam J. Ervin, Jr., Democrat, North Carolina; Senator Barry Goldwater, Republican, Arizona; Senator Carl T. Curtis, Republican, Nebraska.

Also present: Robert F. Kennedy, chief counsel; Jerome S. Adlerman, assistant chief counsel, Ruth Young Watt, chief clerk.

The CHAIRMAN. The committee will be in order.

(Members of the select committee present at the convening of the session were: Senators McClellan, Ervin, and Curtis.)

The CHAIRMAN. Call your witness, Mr. Kennedy.

Mr. KENNEDY. I will call Mr. Dranow.

The CHAIRMAN. Do you solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. DRANOW. I do.

TESTIMONY OF BENJAMIN DRANOW, ACCOMPANIED BY COUNSEL, HARRY CLIFFORD ALLDER

The CHAIRMAN. State your name, your place of residence and your business or occupation.

Mr. DRANOW. My name is Benjamin Dranow and my residence is Beverly Hills, Calif.

The CHAIRMAN. Proceed.

Mr. DRANOW. My occupation is that I am a businessman.

The CHAIRMAN. What business are you engaged in, Mr. Dranow?

Mr. DRANOW. At the present time I am not active in any particular business. I am actually looking for business.

The CHAIRMAN. Do you have an attorney? Counsel, will you identify yourself?

Mr. ALLDER. My name is Harry Clifford Alder, Washington, D.C., bar.

The CHAIRMAN. I believe, Mr. Dranow, you said that you were looking for business.

Mr. DRANOW. Looking for a business.

The CHAIRMAN. Looking for a business?

Mr. DRANOW. Yes, sir.

The CHAIRMAN. You don't have a business now?

Mr. DRANOW. I have a business that is under option to be sold, but that transaction isn't completed yet.

The CHAIRMAN. Do you have the option to buy or the option to sell?

Mr. DRANOW. The option to sell.

The CHAIRMAN. What is the nature of that business?

Mr. DRANOW. That business is the John W. Thomas Co. in Minneapolis.

The CHAIRMAN. Thank you very much.

Mr. Kennedy, proceed.

Mr. KENNEDY. How long have you had an interest in the John W. Thomas Department Store?

Mr. DRANOW. For approximately 5 years.

Mr. KENNEDY. What business were you in prior to that time?

Mr. DRANOW. I had some small stores in this city and Baltimore and Wilmington.

Mr. KENNEDY. Here in Washington?

Mr. DRANOW. Yes, in Washington.

Mr. KENNEDY. What stores were they?

Mr. DRANOW. A store called Dranow's, under my own name, and a store called Ronald's.

Mr. KENNEDY. What did they handle?

Mr. DRANOW. They handled ladies' ready-to-wear and furs.

Mr. KENNEDY. Ladies' underwear and furs?

Mr. DRANOW. Ladies' ready-to-wear and furs.

Mr. KENNEDY. And then Baltimore and Washington, and where else did you have it?

Mr. DRANOW. I had one in Wilmington, and one in Upper Darby, Pa.

Mr. KENNEDY. Where did you operate out of during that period?

Mr. DRANOW. Out of New York City in those days.

Mr. KENNEDY. What was your address in New York City?

Mr. DRANOW. 312 Seventh Avenue, and then 315 Seventh Avenue.

Mr. KENNEDY. Did you have a place in New York City also?

Mr. DRANOW. Yes; I did.

Mr. KENNEDY. What was the name of that?

Mr. DRANOW. Ben Dranow Furs.

Mr. KENNEDY. And how long have you had the interest in these various places?

Mr. DRANOW. Well, I had an interest in the fur business for about twenty-some-odd years, and in the stores for about 10 years.

Mr. KENNEDY. Was your main base of operation always New York City?

Mr. DRANOW. Yes; it was, up until about 5 years ago.

Mr. KENNEDY. And then you moved to Minneapolis?

Mr. DRANOW. That is right.

Mr. KENNEDY. Where did you come from originally, Mr. Dranow?

Mr. DRANOW. I was born in Jersey City.

Mr. KENNEDY. How long did you live there?

Mr. DRANOW. Until I was 12 years old.

Mr. KENNEDY. Then where did you move to?

Mr. DRANOW. I moved to New York City, or moved to a small town in upstate New York for a while and then to New York City.

Mr. KENNEDY. How did you become interested in the John W. Thomas Department Stores?

Mr. DRANOW. When I was in the fur manufacturing business, I sold them goods for about 15 or 20 years. They were one of my principal customers.

Mr. KENNEDY. And then did you invest in the department store yourself?

Mr. DRANOW. Yes; I did.

Mr. KENNEDY. When was that?

Mr. DRANOW. Starting around January of 1952, January or February of 1952.

Mr. KENNEDY. Did you move to Minneapolis then?

Mr. DRANOW. Yes, I did.

Mr. KENNEDY. And how much did you invest at that time?

Mr. DRANOW. I don't recall.

Mr. KENNEDY. Did you buy some of the stock, or how did you handle it?

Mr. DRANOW. I bought stock on an arrangement with the former owner.

Mr. KENNEDY. Who was that?

Mr. DRANOW. There was an arrangement of—

Mr. KENNEDY. Who was the former owner?

Mr. DRANOW. It was a gentleman by the name of Mr. Yolomstein.

Mr. KENNEDY. How do you spell his name?

Mr. DRANOW. Y-o-l-o-m-s-t-e-i-n.

Mr. KENNEDY. Was he the owner of the store at that time?

Mr. DRANOW. He controlled it. The stock was in a trust, but he was in control of it and he spoke for it and he was in control of it. Various people owned it and he was the spokesman for the stock.

Mr. KENNEDY. What were the arrangements made as far as your purchase of the stock?

Mr. DRANOW. It was that I would become a general manager of the business, and partially for an investment and partially for my services, that I would have an option to buy into it over a period of years.

Mr. KENNEDY. Were you paid a salary while you were working there as general manager?

Mr. DRANOW. No, not at first.

Mr. KENNEDY. When did you start getting or receiving a salary?

Mr. DRANOW. I started receiving a salary in, I think it was, I am not certain, it was some time in 1956.

Mr. KENNEDY. You worked there from 1952 to 1956 without receiving a salary?

Mr. DRANOW. I had a profit-sharing arrangement on one of the departments, on the fur department particularly, and we were to share the profits in that particular department. Of course that was business that I handled personally myself, and it was handled as a separate business. In return for the sharing of the profits on that, I would

also manage the rest of the store. My payment would be the share of the profits of the fur department.

Mr. KENNEDY. During this period of time did you sell your other stores here in Washington and Wilmington and Baltimore?

Mr. DRANOW. I didn't sell them, but I liquidated them during the period that I was in Minneapolis.

Mr. KENNEDY. You started liquidating those in 1952?

Mr. DRANOW. I started to liquidate before I went to Minneapolis, and it continued through until after I was up there and the stores were all liquidated, including my business in New York, too.

Mr. KENNEDY. What was the small city in upstate New York that you were in?

Mr. DRANOW. Monticello.

Mr. KENNEDY. When did you first meet Mr. Gerald Connelly?

Mr. DRANOW. I would like to ask my attorney.

(The witness conferred with his counsel.)

Mr. KENNEDY. That is Mr. Connelly of the Teamsters Union.

Mr. DRANOW. I respectfully decline to answer because I honestly believe that the answer may tend to incriminate me.

Mr. KENNEDY. Maybe if we can't get into that relationship, perhaps you could tell us where you have been over the period of the past year. Could you tell us that?

Mr. DRANOW. I respectfully decline—

Mr. KENNEDY. One moment, please. I would like to rephrase my question. We had been trying to find you over a period of about 14 months. You went into the hospital originally and then left the hospital, and when we started to look for you again we couldn't find you. I wondered if you could tell us where you have been over the period of the past year.

Mr. DRANOW. I respectfully decline to answer because I honestly believe that my answer may tend to incriminate me.

The CHAIRMAN. Mr. Counsel, did we have a subpoena for the witness during that time?

Mr. KENNEDY. Yes.

The CHAIRMAN. An outstanding subpoena?

Mr. KENNEDY. We did, Mr. Chairman.

The CHAIRMAN. Did the witness have notice of it?

Mr. KENNEDY. Yes; Mr. Chairman. We were looking for him back in, I believe, July of 1957. We subpoenaed him to testify before the committee, and at the time he was to appear before the committee he went to the hospital and was unable to appear. We made arrangements at that time that we would notify him and that he should come again at another session of the committee. We notified him and sent a telegram to the address that he had been at, and he had disappeared. People at the Thomas department store didn't know, and the lawyers didn't know where he was, and nobody in Minneapolis seemed to know where he was. We traced him out to Seattle, to Los Angeles, to Beverly Hills, to Las Vegas, Nev., and to Washington, D.C., and then back to New York City, and ultimately his lawyer called and said that he would like to come in and talk to us, or that he would make himself available to be subpoenaed again. That is why he is here today.

The CHAIRMAN. Was another subpoena served upon him?

Mr. KENNEDY. That is correct, Mr. Chairman.

The CHAIRMAN. Let both subpoenas and the returns thereon be printed in the record at this point.

(The subpoenas referred to follow:)

UNITED STATES OF AMERICA

CONGRESS OF THE UNITED STATES

TO BENJAMIN DRANOW, JOHN W. THOMAS CO., *Minneapolis, Minn., Greeting:*

Pursuant to lawful authority, you are hereby commanded to appear before the Senate Permanent Subcommittee on Investigations of the Committee on Government Operations of the Senate of the United States forthwith, at their committee room, Room 101, Senate Office Building, Washington, D.C., then and there to testify what you may know relative to the subject matters under consideration by said committee, and produce all books, records, correspondence, telephone calls, memorandums, of the John W. Thomas Co., Minneapolis, Minn., and of yourself personally, relating directly or indirectly to labor situations, specifically to the AFL Retail Clerks; to the Teamsters Union in Minneapolis; to James R. Hoffa; to the Michigan State Conference Fund, or any fund of the Teamsters, from January 1, 1952, to date; plus records showing your interest in store, how obtained.

Hereof fail not, as you will answer your default under the pains and penalties in such cases made and provided.

Given under my hand, by order of the committee, this 3d day of December, in the year of our Lord one thousand nine hundred and fifty-six.

[S] JOHN L. McCLELLAN,

Chairman, Senate Permanent Subcommittee on Investigations of the Committee on Government Operations.

(Service:)

DEC. 19, 1956.

I made service of the within subpoena by delivery to J. Davis, who accepted for and at the direction of the within-named Benjamin Dranow, at the Rand Tower Bldg., Minneapolis, Minnesota, at 10 o'clock, 45 m., on the 19th day of December 1956.

/s/ DONALD F. O'DONNELL.

UNITED STATES OF AMERICA

CONGRESS OF THE UNITED STATES

L-4440

TO BENJAMIN DRANOW, *Greeting:*

Pursuant to lawful authority, you are hereby commanded to appear before the Senate Select Committee on Improper Activities in the Labor or Management Field of the Senate of the United States, on Wednesday, November 12, 1958, at 10 o'clock a.m., at their committee room, 101 Senate Office Building, Washington, D.C., then and there to testify what you may know relative to the subject matters under consideration by said committee, and to produce those items as listed on Schedule A, attached hereto and made a part hereof.

Hereof fail not, as you will answer your default under the pains and penalties in such cases made and provided.

Given under my hand, by order of the committee, this 1st day of October, in the year of our Lord one thousand nine hundred and fifty-eight.

[S] JOHN L. McCLELLAN,

Chairman, Senate Select Committee on Improper Activities in the Labor or Management Field.

(Service:)

OCTOBER 1, 1958.

I made service of the within subpoena by personal service the within-named Benjamin Dranow, at 101 Senate Office Building, Washington, D.C., at 1:25 o'clock p.m., on the first day of October 1958.

JEROME S. ADLERMAN.

To : Benjamin Dranow.

SCHEDULE A

Attached to and made a part of subpoena No. L-4440

And to produce for the period January 1, 1954, to date, the following :

1. All bank statements, cancelled checks, check stubs, duplicate deposit slips, deposit receipts, savings account records, safety deposit box records, and any and all other records reflecting your personal banking transactions, and those jointly with your wife, with any bank, savings and loan association, building and loan agency, or any other agency or individual.
2. All records reflecting loans by you, or upon your behalf, made to or received from any source.
3. All records reflecting all other sources of income and the amounts thereof which you personally, or jointly with your wife, received from any source.
4. All records, agreements, evidence of ownership or control concerning your interest in the John W. Thomas Company, Inc., Minneapolis, Minnesota; all correspondence and other records reflecting any dealings by you, or on your behalf, with James R. Hoffa, and any other officials of the International Brotherhood of Teamsters Union, including, but not limited to, loan arrangements made from organizations affiliated with the Teamsters Union to you or John W. Thomas Company, Inc.; all records pertaining to fees paid on your behalf or on behalf of John W. Thomas Company, Inc., to any officials or representatives of the Teamsters Union, directly or indirectly.
5. All personal income tax returns or those filed jointly by you and your wife, both State and Federal, from January 1, 1954 to date.

Mr. CHAIRMAN. Let me ask you, were you avoiding processes of this committee?

Mr. DRANOW. I respectfully decline to answer because I honestly believe that my answer may tend to incriminate me.

The CHAIRMAN. I rather think it would. I think that you knew that you were wanted and you had a subpoena and you deliberately defied the committee; didn't you?

Mr. DRANOW. I respectfully decline to answer because I honestly believe that my answer may tend to incriminate me.

The CHAIRMAN. For practically a year or a little more, you were a fugitive from justice, so to speak, from the processes of this committee; is that correct?

Mr. DRANOW. I respectfully decline to answer because I honestly believe that my answer may tend to incriminate me.

The CHAIRMAN. Do you belong to a labor union?

Mr. DRANOW. I respectfully decline to answer because I honestly believe that my answer may tend to incriminate me.

The CHAIRMAN. In answer as to what your business was, you said you were a businessman, and apparently you have been in the mercantile business; is that correct?

(The witness consulted with his counsel.)

Mr. DRANOW. Yes; I have been in the mercantile business.

The CHAIRMAN. We find, in certain elements of labor organizations and labor leadership, people who have tremendous responsibility in labor relations and in the labor movement in certain unions who apparently from their testimony, or lack of testimony by invoking the fifth amendment, have so conducted themselves that they cannot give a truthful answer without the possibility of self-incrimination.

I have nothing but contempt for those characters. I regret to say I am compelled to have the same attitude toward anybody associated with business who so conducts himself that he cannot come before

a committee of the Congress of his Government and give open and fair and honest statements with regard to his conduct.

Proceed, Mr. Kennedy.

(Members present in the hearing room: Chairman McClellan, Senators Goldwater, Ervin, and Curtis.)

Mr. KENNEDY. Mr. Chairman, the reason we are so interested in Mr. Dranow and have been searching for him for this period of time is his relationship with the John W. Thomas department store and the loans that the John W. Thomas department store has received from the International Brotherhood of Teamsters and the Michigan Conference of Teamsters.

While you were general manager of the store, according to our records, the Teamsters Union made a loan of \$200,000, and that loan came on June 6, 1956, from the Michigan Conference of Teamsters; isn't that correct?

Mr. DRANOW. I respectfully decline to answer because I honestly believe that my answer may tend to incriminate me.

Mr. KENNEDY. Mr. Chairman, the matter of extreme interest is, No. 1, that loan of \$200,000 was made by the Michigan Conference of Teamsters of which Mr. Hoffa is the head, and No. 2, it was made at the time when the John W. Thomas department store was being struck by another AFL union.

So the money went from the Teamsters to support the Thomas department store while the Thomas department store was being struck by another union.

The CHAIRMAN. Is that the strike of the Clerks' Union?

Mr. KENNEDY. By the Retail Clerks.

The CHAIRMAN. May I ask at this point for the record, Mr. Counsel, during the time that this witness was under the first subpoena and obviously avoiding the process of this committee, or refusing to obey it, can you give us any estimate of how much Government money was expended in trying to contact him and bring about his appearance?

Mr. KENNEDY. There is no way, Mr. Chairman, of being able to tell. We have been in touch with police departments throughout the United States, Federal agencies and marshals' offices in at least a half dozen cities.

Then we, of course, picked up the hotel records of Mr. Dranow. We know, Mr. Chairman, that he has been in touch with both Mr. Owen Bert Brennan, vice president of the Teamsters, and with Mr. Hoffa, who is the international president of the Teamsters, during the period of time we were looking for him.

I would be unable to answer your question.

The CHAIRMAN. Did he put the committee or the Government to a substantial expense in trying to bring about his appearance after he was duly subpoenaed?

Mr. KENNEDY. Yes, sir.

Mr. Chairman, this strike of the Retail Clerks went on from 1953 until January 4, 1957. It was settled at that time by the intervention of Mr. Hoffa, together with Mr. Bushkin, who was a labor relations consultant from Detroit. For reasons not completely clear, he was then retained on an informal basis by the John W. Thomas store, and with the intervention of Mr. Hoffa this Retail Clerks strike was settled.

Now, you have already had the testimony regarding the relationship between Mr. Bushkin and Mr. Hoffa.

Is it not correct that Mr. Bushkin intervened in this case, and that with the assistance of Mr. Hoffa the strike was settled, Mr. Dranow?

Mr. DRANOW. I respectfully decline to answer that because I honestly believe that my answer may tend to incriminate me.

Mr. KENNEDY. Now, what happened then is of great interest. Then Mr. Dranow purchased John W. Thomas department store by putting up a \$17,500 note. He purchased the whole John W. Thomas department store and the Teamsters welfare fund made a million dollar loan to the Thomas department store.

Isn't that correct, Mr. Dranow?

Mr. DRANOW. I respectfully decline to answer, because I do honestly believe that my answer may tend to incriminate me.

Senator GOLDWATER. What was the worth of the store at the time?

Mr. KENNEDY. It is in bankruptcy.

Senator GOLDWATER. At the time he purchased it, I mean.

Mr. KENNEDY. It is impossible to tell, Senator.

Mr. ALDERMAN. It is not quite possible to say, Senator. I see they list their gross assets as \$21 $\frac{1}{4}$ million.

Of course, their liabilities were quite high. As a matter of fact, at the time the loan was made they were not in good shape. I don't think anybody actually knows, except maybe Mr. Dranow, what the financial shape of the store was at that time.

I think their assets were also inflated.

Senator GOLDWATER. What were their annual sales?

Mr. ALDERMAN. I don't know.

Mr. KENNEDY. We have some testimony which we can look up, from the former owners of the store.

Then after the loan was made from the welfare fund the John W. Thomas department store went into bankruptcy; isn't that right, Mr. Dranow?

Mr. DRANOW. I respectfully decline to answer because I honestly believe that my answer to that may tend to incriminate me.

Mr. KENNEDY. What is technically called a debtor's proceedings under chapter 9 of the Bankruptcy Act is on file with the Fourth Division of the United States District Court for the District of Minnesota, January 1, 1958?

Mr. DRANOW. I respectfully decline to answer because I honestly believe that my answer would tend to incriminate me.

Mr. KENNEDY. That was less than a year after the million-dollar loan was made; is that right?

Mr. DRANOW. I respectfully decline to answer because I honestly believe that my answer may tend to incriminate me.

The CHAIRMAN. Was this thing just a scheme cooked up to defraud the union out of its welfare funds?

Mr. DRANOW. Sir, I respectfully decline to answer because I honestly believe that my answer would tend to incriminate me.

The CHAIRMAN. Did you participate in such a scheme or plan to cheat and defraud the union welfare fund?

Mr. DRANOW. I respectfully decline to answer because I honestly believe that my answer would tend to incriminate me.

Mr. KENNEDY. Mr. Chairman, an examination of the petition shows that Benjamin Dranow had withdrawn from the assets of the corporation \$116,431.48.

The CHAIRMAN. Over what period of time?

Mr. KENNEDY. I believe a year's period.

Is that right, Mr. Dranow?

Mr. DRANOW. I respectfully decline to answer because I honestly believe that my answer may tend to incriminate me.

The CHAIRMAN. Was that to be your share of the take?

Mr. DRANOW. I respectfully decline to answer because I do honestly believe that my answer may tend to incriminate me.

Mr. KENNEDY. These are withdrawals listed as a loan of that amount of money, Mr. Chairman. It was listed in the bankruptcy petition under chapter 11.

The CHAIRMAN. Did you borrow money from this business?

Mr. DRANOW. I respectfully decline to answer because I honestly believe that my answer may tend to incriminate me.

The CHAIRMAN. Is he a party to the proceeding?

Mr. ADLERMAN. I believe he was the chairman of the board at the time.

The CHAIRMAN. Do you have a personal petition pending in bankruptcy now?

Mr. DRANOW. I respectfully decline to answer because I honestly believe that my answer may tend to incriminate me.

The CHAIRMAN. If this amount was loaned, \$116,000 plus, what assets do you have to secure the loan?

Mr. DRANOW. I respectfully decline to answer because I honestly believe that my answer may tend to incriminate me.

The CHAIRMAN. Do you have any assets that would be available for the liquidation of this obligation?

Mr. DRANOW. I respectfully decline to answer because I honestly believe that my answer may tend to incriminate me.

Mr. KENNEDY. Mr. Chairman, we have here two net worth statements that I would like to have identified, net worth statement of Mr. Benjamin Dranow, it shows the increase of net worth of Mr. Dranow during the 3 years he was running the John W. Thomas department store.

The CHAIRMAN. By whom were they received?

Mr. KENNEDY. They were received by Mr. Adlerman out of the records of the John W. Thomas department store.

The CHAIRMAN. I hand you here a copy of a financial statement of Benjamin Dranow, dated January 30, 1954, taken from the records of the John W. Thomas department store. I hand it to you and ask you to examine it and state if you identify it.

Mr. DRANOW. Have I examined it?

(The witness conferred with his counsel.)

Mr. DRANOW. Yes.

The CHAIRMAN. Do you identify it?

Mr. DRANOW. I respectfully decline to answer because I believe that my answer would tend to incriminate me.

The CHAIRMAN. Let that be made exhibit No. 210.

I hand you another photostatic copy of a financial statement of Benjamin Dranow and Stella A. Dranow, as of May 23, 1957. I ask you to examine it and state if you identify it.

Have you examined the document?

(The witness conferred with his counsel.)

Mr. DRANOW. Yes.

The CHAIRMAN. Do you identify it?

Mr. DRANOW. I respectfully decline to answer because I honestly believe that my answer might tend to incriminate me.

The CHAIRMAN. Let this document be made exhibit No. 210A. The first statement will be made exhibit 210, the second one exhibit No. 210A.

(Documents referred to were marked "Exhibits Nos. 210 and 210A" for reference and may be found in the files of the select committee.)

The CHAIRMAN. Who can verify it?

TESTIMONY OF JEROME S. ADLERMAN

The CHAIRMAN. Mr. Adlerman, you are a member of the legal staff of this committee?

Mr. ADLERMAN. I am.

The CHAIRMAN. I present to you here exhibits 210 and 210A and ask you to examine them and state if you identify them, state what they are and where and how they were procured by the committee.

Mr. ADLERMAN. Yes; I recognize both of these documents. I secured them from the records of the John W. Thomas department stores in Minneapolis.

The CHAIRMAN. Under subpoena?

Mr. ADLERMAN. Yes, sir.

Senator GOLDWATER. I notice that you have two columns on the one I was looking at. One is typewritten. Then you have some figures crossed out and penciled figures at the side? What are those figures?

Mr. ADLERMAN. I don't know. I guess these are working papers. I took them exactly as I found them.

Senator GOLDWATER. Were the penciled ones the exact figures out of the books?

Mr. ADLERMAN. We didn't take them out of the books. This is exactly as I found them in the records. Who made the penciled figures, I don't know.

Senator GOLDWATER. This is the actual statement out of their records?

Mr. ADLERMAN. Yes, sir.

The CHAIRMAN. Out of their file. You have not doctored it in any way?

Mr. ADLERMAN. No, I have not touched it at all.

Senator GOLDWATER. I wanted to make that clear because it would be confusing to have two sets of figures.

The CHAIRMAN. Yes, it should be cleared.

I would like to get a little information. I notice in the first statement of exhibit 210, dated January 30, 1954, it shows a net worth of \$371,876.11, and the second one, dated May 23, 1957, a little more than 3 years later, 3 years and 4 months later, reflects a net worth of \$1,437,000.

Do you have any explanation for that? I am speaking to the witness.

TESTIMONY OF BENJAMIN DRANOW—Resumed

Mr. DRANOW. I respectfully decline to answer that because I honestly believe that my answer may tend to incriminate me.

The CHAIRMAN. Let us see what that difference is.

According to my calculation that shows a gain in your net worth in 3 years and 4 months of \$1,021,823.89. And I believe you obtained a loan of a million dollars from the Teamsters Union welfare fund at the time.

Mr. DRANOW. I respectfully decline to answer because I honestly believe that my answer might tend to incriminate me.

The CHAIRMAN. Did that business get any benefit whatsoever from this loan?

Mr. DRANOW. I respectfully decline to answer because I honestly believe that my answer may tend to incriminate me.

The CHAIRMAN. Or was it just a means of syphoning off union welfare funds into the hands and to the profit of certain individuals, including yourself?

Mr. DRANOW. I respectfully decline to answer, sir, because I honestly believe that my answer may tend to incriminate me.

The CHAIRMAN. Proceed, Mr. Kennedy.

Mr. KENNEDY. Mr. Dranow, to go back into the relationship of these individuals, according to the records of the investigation that we have conducted, you purchased in the middle of 1956, in August of 1956, two fur jackets; isn't that right? Two fur jackets from New York City which were approximately \$2,000 apiece and which were charged to the John W. Thomas department store?

Mr. DRANOW. I respectfully decline to answer that because I honestly believe that my answer may tend to incriminate me.

Mr. KENNEDY. Now, one of these fur jackets was sent to Mr. Bushkin and the other fur jacket was sent to Alice Brennan, 41801 Wilcox Road, Plymouth, Mich.; isn't that right?

Mr. DRANOW. I respectfully decline to answer because I honestly believe that my answer may tend to incriminate me.

Mr. KENNEDY. Isn't Alice Brennan the wife of Owen Bert Brennan, one of the vice presidents from the International Brotherhood of Teamsters?

Mr. DRANOW. I respectfully decline to answer that because I honestly believe that my answer may tend to incriminate me.

Mr. KENNEDY. Didn't you, while in Las Vegas, in 1955, pass three bad checks, one at the Hotel Flamingo for \$1,000 on March 5, 1955; one at the Desert Inn for \$1,500, March 15, 1955, and another one at the Desert Inn for \$500 on March 15, 1955, and weren't these bad checks all made good by Mr. Bushkin, the labor relations consultant, Detroit, Mich.?

Mr. DRANOW. I respectfully decline to answer because I honestly believe that my answer might tend to incriminate me.

Mr. KENNEDY. Now, Mr. Chairman, the individual who was very active in Minneapolis, the teamster, was Mr. Gerald Connelly. He had been involved with Mr. Jimmy James on the fringe of an at-

tempted murder down in Miami, and he came up and was made the head of this Teamster local.

We have had a good deal of testimony about him. He was involved in receiving money from an employer in early 1955, for which he was convicted.

Another case of extortion at the end of 1955 for which he was convicted, and then, because his fellow teamster officials refused to recognize a picket line he put up, he put some dynamite in one of their automobiles and in one of their homes.

At the time he was making plans for this dynamiting, which was later brought out in court, he was down in Miami, Fla., staying at the Waves Hotel in room 301; and in the adjoining room, in room 303, was Mr. Benjamin Dranow, according to the information we have.

Is that right, Mr. Dranow?

Mr. DRANOW. I respectfully decline to answer the question because I honestly believe that my answer would tend to incriminate me.

Mr. KENNEDY. We have examined the records of the airline and found you flew down on February 8, 1956, and that you stayed in room 303, that you registered under the name of Mr. George Cohen; is that correct?

Mr. DRANOW. I respectfully decline to answer because I honestly believe that my answer may tend to incriminate me.

Mr. KENNEDY. That was incorrect, Mr. Chairman, Mr. Connelly registered under the name of George Cohen and you registered under your own name; is that correct?

Mr. DRANOW. I respectfully decline to answer because I honestly believe that my answer may tend to incriminate me.

Mr. KENNEDY. The telephone calls were made out of both of those rooms by Mr. Gerald Connelly, and the hotel bill was paid by the John W. Thomas department store for both you and Mr. Connelly; isn't that correct?

Mr. DRANOW. I respectfully decline to answer because I honestly believe that my answer may tend to incriminate me.

Mr. KENNEDY. Isn't it also correct that when Mr. Connelly was picked up and arrested that you made the first initial payment for his attorney, a payment amounting to \$2,500?

Mr. DRANOW. I respectfully decline to answer that because I honestly believe that my answer may tend to incriminate me.

(At this point Senator Ervin withdrew from the hearing room.)

Mr. KENNEDY. You made that payment on February 29, 1956; isn't that right, and made it in the form of cash?

Mr. DRANOW. I respectfully decline to answer because I honestly believe that my answer would tend to incriminate me.

Mr. KENNEDY. Isn't that correct, that you made the payment in the form of cash?

Mr. DRANOW. I respectfully decline to answer because I honestly believe that my answer may tend to incriminate me.

Mr. KENNEDY. The payment was made to Attorney Sidney Goff, for Connelly's defense in the dynamiting case and you were later repaid out of a fund set up by the Teamsters Union; isn't that correct?

Mr. DRANOW. I respectfully decline to answer because I honestly believe that my answer may tend to incriminate me.

The CHAIRMAN. Do you want to leave the impression here that you were in with these labor racketeers?

Mr. DRANOW. I respectfully decline to answer because I honestly believe that my answer may tend to incriminate me.

The CHAIRMAN. It has been suggested that you are probably worse than they are. Do you want to answer that?

Mr. KENNEDY. I suggest it.

The CHAIRMAN. You do not want to answer that?

The Chair will not compel you to answer it. Do you want to, or do you not?

(The witness conferred with his counsel.)

Mr. DRANOW. You ask the question.

The CHAIRMAN. Yes: Did you want to answer that. I said I would not compel you to.

Mr. DRANOW. I respectfully decline to answer because I honestly believe that my answer may tend to incriminate me.

Mr. KENNEDY. Mr. Chairman, this money was put up in Mr. Connelly's defense some 4 months prior to the million-dollar loan that came to Mr. Dranow and the John W. Thomas Department Store. It is also of interest that Mr. Gerald Connelly's son was an assistant manager at the John W. Thomas Department Store under a fictitious name, under the name of Kelly.

Isn't that correct?

Mr. DRANOW. I respectfully decline to answer because I honestly believe that my answer might tend to incriminate me.

The CHAIRMAN. Do you have any conscience or scruples whatsoever about swindling these union members out of their welfare pension fund like that?

Mr. DRANOW. I respectfully decline to answer because I honestly feel that my answer might tend to incriminate me.

The CHAIRMAN. I think every person who hears your testimony will agree with you.

Proceed.

Mr. KENNEDY. That is it, Mr. Chairman. As I said, it is going into bankruptcy. That is the situation at the present time. I don't know how much money the Teamsters will be able to get out of it.

Senator CURTIS. That is the question I wanted to have answered. Has the loan or loans made by the Teamsters been repaid?

Mr. KENNEDY. No, they have not. They still owe \$928,000.

Senator CURTIS. Is that a pension and welfare fund that provided that loan?

Mr. KENNEDY. Yes.

Senator CURTIS. What is the name of it?

Mr. KENNEDY. The Central States, Southeast, and Southwest.

Senator CURTIS. Southeast and Southwest Conference?

Mr. KENNEDY. Central States, Southeast, and Southwest Areas. It is called Central States, Southeast, and Southwest Areas Health and Welfare Fund.

Senator CURTIS. Do you know what States?

Mr. KENNEDY. Yes; it covers the Central Conference of Teamsters and some of the Southern Conference of Teamsters.

Senator CURTIS. Where did that money come from? Is that contributed by by members or contributed by employers?

The CHAIRMAN. Employers.

Mr. KENNEDY. Under the contract with the union.

Senator CURTIS. It is property that belongs to the employees?

Mr. KENNEDY. That is correct.

Senator CURTIS. Because it is contributed for them and it is under a retirement contract that the employer has no interest in any further.

Mr. KENNEDY. That is right.

Of course, we have gone, Senator, into three major loans that were made by the Central Conference of Teamsters out of the welfare fund. One was in Detroit where they made the loan to the land development which went into bankruptcy, and it cost the union about a million dollars.

Then this one was made to Mr. Hoffa's friend, who has gone into bankruptcy. We also inquired into the money that went into the Florida transaction, Sun Valley, which has also gone into bankruptcy.

Senator CURTIS. Mr. Dranow, who negotiated this loan?

Mr. DRANOW. I respectfully decline to answer because I honestly believe that my answer may tend to incriminate me.

Senator CURTIS. Did you have anything to do with it, or was it others?

Mr. DRANOW. I respectfully decline to answer because I honestly believe that my answer may tend to incriminate me.

Senator CURTIS. I would like to ask the staff, whose signature would be required to get this \$1 million out of this fund that belongs to the employees?

Mr. KENNEDY. It is the four trustees. There are two supposedly representing the employers and two representing the union.

Senator CURTIS. Who are the two representing the employers?

Mr. KENNEDY. I don't know if we have the names. We will get the four names.

The CHAIRMAN. Let the names be supplied for the record.

Senator GOLDWATER. Mr. Kennedy, are these loans from the Teamsters loans of record?

Mr. KENNEDY. Yes; they are.

Senator GOLDWATER. Who is participating in this bankruptcy of the department store?

Mr. KENNEDY. I will have to examine the documents. We have the petition here.

Senator GOLDWATER. Who is the petitioner?

Senator CURTIS. I would also like to have the staff ascertain something else when that is supplied.

Mr. KENNEDY. This bankruptcy, I am informed, Senator, is filed by the Thomas Department Store itself.

Senator GOLDWATER. Is there any way that the monitors that are now supposedly having something to say about the operation of the Teamsters could move into this application, in an effort to get some of the money back from this loan?

Mr. ADLERMAN. They may have submitted an appearance, but I can't say.

Mr. KENNEDY. The monitors have not. I think that is one of the questions that they are trying to have resolved before Judge Letts' court, to try to expand their authority or to have it clarified. The

Teamsters Union, Mr. Hoffa and its attorneys and the executive board, have protested that they are seeking too broad jurisdiction about going into matters similar to this. That is what is before Judge Letts' court as to whether they have the right to go into some of these matters.

The CHAIRMAN. I understand the officials of the Teamsters have refused to recognize that authority as being vested in the monitors, and the issue is now before the court to clarify what their authority is under the consent decree, and also to ask for additional authority if they do not have already the authority to do something about such transactions.

Senator GOLDWATER. It just seemed to me that it should be one of the powers of the monitors to go in where loans have been made that on the face of them are poor loans.

The CHAIRMAN. Is there anything further?

Senator CURTIS. Mr. Chairman, I would like to have the staff ascertain if we can, whether or not the trustees are under bond, and if so, what the pertinent facts are as to the extent of the bond of the trustees of a fund like this have to put up.

The CHAIRMAN. Have we ascertained that?

Mr. KENNEDY. We are trying to get all of the information on them now.

Senator CURTIS. I think it is in the public interest that we know that, because it involves a fiduciary responsibility, and involves other matters in reference to pension and welfare funds, and it might have some pertinent information from the standpoint of legislation.

The CHAIRMAN. I don't know whether this witness could answer that or not. We will ascertain as far as we can the information as to whether they are under bond and when that information is ascertained, it may be supplied for the record under oath.

Mr. KENNEDY. Under the stipulation, two of the trustees are supposed to be employers. We have ascertained, Senator, that one of the trustees for the employers, whose name I cannot give you at this time, has not been a truckowner for several years, and he has retired or left Michigan because of a suit pending against him, and he finds it impossible to return to Michigan.

The CHAIRMAN. That is one of the trustees of this fund.

Mr. KENNEDY. Yes; so it is a fund that is run completely by the union trustees.

The CHAIRMAN. Is there anything further at this time?

Mr. KENNEDY. That is all right now.

The CHAIRMAN. Mr. Dranow, you may remain here until later in the afternoon, as soon as we investigate some records, and we may wish to recall you for further interrogation. Will you stand aside.

(Thereupon, the committee recessed at 2:55 p.m., proceeding to other business, and reconvening at 4:20 p.m. Members of the select committee present at the reconvening of the hearing were Senators McClellan, Ervin, Goldwater, and Curtis.)

The CHAIRMAN. Mr. Dranow, you have been previously sworn.

Mr. Counsel, you may proceed.

Mr. KENNEDY. Mr. Chairman, the information that we have regarding the question raised by a member of the committee as to who were the trustees is that Earl Cannon, who is a vice president and head of

labor relations for the Greyhound Bus Co., with offices in Chicago, and in Madison, Wis.; A. O. Buck, who is general counsel for the Southern Trucking Association, in Memphis, Tenn.; and Kirk Couch, who is the counsel for the Southern Trucking Association, covering Alabama, Louisiana, and Florida, with office at Montgomery, Ala. Those are the employer representative trustees. The Teamster trustees are Mr. James Riddle Hoffa and Mr. W. M. Miller—

The CHAIRMAN. Is that Dusty Miller that we have been talking about?

Mr. KENNEDY. Yes, I believe it is, Mr. Chairman. And Mr. Floyd Webb. That is Mr. Floyd Webb, I believe, from Joplin, Mo. Mr. Chairman, we have had a great deal of testimony about Mr. Webb, as well as Mr. Hoffa and Mr. Miller. Also, there was testimony before an earlier congressional committee regarding Mr. Webb's activities.

The CHAIRMAN. I think that you stated that one of the employer trustees is now in the penitentiary.

Mr. KENNEDY. No. Because of a suit, he was unable to return to Michigan, and I am not sure which of these three it is.

The CHAIRMAN. All right, Mr. Dranow, do you know any of these people, Mr. Cannon, Mr. Buck, Mr. Couch, Mr. Miller, or Mr. Webb?

Mr. DRANOW. I respectfully decline to answer because I honestly believe that my answer may tend to incriminate me.

The CHAIRMAN. Did you negotiate this loan with them or either of them or some of them?

Mr. DRANOW. I respectfully decline to answer because I honestly believe that my answer may tend to incriminate me.

The CHAIRMAN. What is there about getting a loan that is so incriminating? Can you clarify that for us?

Mr. DRANOW. I respectfully decline to answer because I honestly believe that my answer may tend to incriminate me.

The CHAIRMAN. You realize this may be leaving the impression that this whole thing was a scheme for a swindle of this fund?

Mr. DRANOW. I respectfully decline to answer because I honestly believe that my answer may tend to incriminate me.

The CHAIRMAN. You recognize, of course, that you have information that would clarify this, and if there is nothing wrong with it you could give such testimony without self-incrimination, do you not?

Mr. DRANOW. I respectfully decline to answer because I honestly believe that my answer may tend to incriminate me.

The CHAIRMAN. Are there any further questions?

Mr. KENNEDY. Mr. Floyd Webb is from Joplin, Mo., and he appeared before the committee this year and took the fifth amendment regarding how he achieved his position of responsibility there. That was one of the locals under trusteeship, where Mr. Hoffa intervened, and where there was a question about the voting. Mr. Webb appeared in connection with that.

The CHAIRMAN. Are there any further questions?

Mr. Dranow, you will remain under your present subpoena, subject to being recalled at such time as the committee may desire to hear further testimony from you.

Will you accept that recognizance, and do you agree to so reappear and give further testimony at such time as the committee may desire your presence, upon reasonable notice being given to you or to your counsel?

Mr. DRANOW. I do.

The CHAIRMAN. I hope we don't have the same trouble with you now that we have had in the past.

Mr. ALLDER. You can always reach him through me, Senator.

The CHAIRMAN. Thank you very much.

(Thereupon, at 4:30 p. m., the committee recessed, subject to the call of the Chair.)

(Members of the select committee present at the taking of the recess were: Senators McClellan, Ervin, Goldwater, and Curtis.)

APPENDIX

EXHIBIT No. 162A

[illegible]

12
NEW YORK CLEARING HOUSE
JUL 18 1905 17 55 19002
CHASE MANHATTAN BANK
NEW YORK N.Y.
JUL 18 1905

EXHIBIT No. 162C

[illegible]

3-1985 28

No. 4639

817 1917

Carl-ford

Rate 500

500

Expense		N ^o 754	
Over-the-Road and City Transfer Drivers, Helpers, Dock Men and Warehouse Men - Local Union No. 41 of Kansas City, Missouri			
Date		October 10 1933	
Pay to the Order of		Nate Stein	
For		Traveller - Public Relations	
		\$ 500.00	
PAY TO THE ORDER OF		500.00 DOLLARS	
To TRADERS NATIONAL BANK		By <i>Agnes I. Hoffmann</i>	
18-12 Kansas City, Missouri		<i>Robert C. Foy</i>	

Not for Sale

18-55

18-53

KANSAS CITY CLADDING HOUSE

EXHIBIT No. 166B

[illegible]

N ^o 974	N ^o 974
Date November 23 1955	November 23 1955
Pay to the Order of	Over-the-Road and City Transfer Drivers, Helpers, Dock Men and Warehouse Men - Local Union No. 41 of Kansas City, Missouri
Nate Stein	PAY TO THE ORDER OF
For Labor Relations Final - In Full	Nate Stein \$500.00
\$ 500.00	\$500.00
	500.00 DCS
	Final - In Full
	To TRADERS NATIONAL BANK 12-12 Kansas City, Missouri
	By Roy L. Wallace President By Lloyd R. Taylor Secretary Treasurer

Noted
Amount Paid

1 30 55 0916

EXHIBIT No. 166D

No 1047

December 12 1955

Over-the-Road and City Transfer Drivers, Missour, Dock
Men and Warehouse Men - Local Union No. 81
of Kansas City, Missouri

ORDER OF

Hotel Ballerive

\$5616.19

100 DOLLARS

To TRADERS NATIONAL BANK
18-12 Kansas City, Missouri

By *Ray I. Williams*
R. Doyle O'Shea

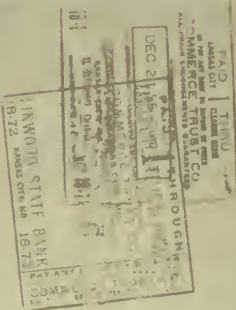
No 1047

December 12 1955

Hotel Ballerive

Room for Nate Stein
Public Relations

616 19



TRUCK DRIVERS LOCAL UNION NO 299
666
NO
9-81
720
19
600
\$1000
DOLLARS
TRUCK DRIVERS LOCAL UNION NO 299
CITY BANK
PRESIDENT
SECRETARY & TREASURER
J. E. BENTON
J. E. BENTON

J. E. Benton
PAY TO THE ORDER OF
CITY NATIONAL BANK
FOR CASH
SCHWAB'S PHARMACY
BY
C. E. BENTON
CITY NATIONAL BANK
90-1106
MAR 9 1956
LOS ANGELES, CALIF. 90015
62050 95.2 L. H. W.

EXHIBIT No. 167B

TRUCK DRIVERS LOCAL UNION NO. 299
2741 TRUMBULL

NO. 1358

April 20 1956

Delroit, Mich.

to

\$1000.00

TRUCK DRIVERS LOCAL UNION NO. 299

DOLLARS

CITY BANK

PRESIDENT

TREASURER

Frank Lucina

THE SUM OF \$1000.00

FOR DEPOSIT

TO THE ORDER OF

TRUCK DRIVERS LOCAL UNION NO. 299

1000 Dollars

Frank Lucina

CITY BANK

APR 20 1956

FOR DEPOSIT

TO THE ORDER OF

TRUCK DRIVERS LOCAL UNION NO. 299

IMPROPER ACTIVITIES IN THE LABOR FIELD

EXHIBIT No. 167C

TRUCK DRIVERS LOCAL UNION NO. 299
2741 TRUMBULL

DAY
THE
ORDER
OF

1

City Bank
CITY BANK
100 N. 15th St.
DETROIT, MICH.

Pay to the order of
\$1500.00
1500 00

1916

21

NO. 2065

DETROIT, MICH. 1916

TRUCK DRIVERS LOCAL UNION NO. 299

DOLLARS

PRESIDENT
TREASURER

[illegible]

EXHIBIT No. 167D

Beverly Hills, California
 666 South Beverly Drive
 Public Relations
 Just Benton & Associates

Over-the-Road and City Transfer Drivers, Mapes, Dr.
Men and Warehouse Men - Local Union
of Kansas City, Missouri

City, Mo., November 1, 1925

NO 868

TO TRADERS NATIONAL BANK
12-12 Kansas City, Missouri

0101

PAY TO THE ORDER OF

\$ 900.00

ONE THOUSAND DOLLARS

Ray Williams

Ray Williams

✓ Date November 4 19 55
 Pay to the Order of Joel Benton and Associates
 443 South Beverly Drive
 Beverly Hills, California
 For Public Relations work by
 Kate Stein - 30 days.
 \$ 900.00

1st Benton
land 1850 to
May 1st Benton

PAY TO THE ORDER OF
CITY NATIONAL BANK
FOR CASH
\$100.00
Schmidt

Try to the right of my name, always at least 10
places, approximately 100,000,000.



IMPROPER ACTIVITIES IN THE LABOR FIELD

Lippman's

ORIGINAL INVOICE

WARD 2.7

MICHIGAN AVENUE AT WASHINGTON BOULEVARD

DETROIT 26, MICHIGAN

INVOICE DATE

OUR INVOICE NO. _____

YOUR ORDER NO. _____

TERMS: NET 30 DAYS

THIS INVOICE COVERS MERCHANDISE SUPPLIED AND CHARGED TO YOU AND IS A COPY OF OUR SALES CONTRACT.

PLEASE RETAIN THIS INVOICE FOR YOUR RECORDS.
ALL CLAIMS FOR DAMAGES OR ERRORS MUST BE MADE
IMMEDIATELY AFTER RECEIPT OF GOODS

QUANTITY

UNIT

DESCRIPTION

UNIT PRICE

AMOUNT

AMERICA'S MOST COMPLETE SPORTING GOODS DEPARTMENT STORE—FOUNDED 1906

PREVIOUS BALANCE	DATE	REF. NO.	DESCRIPTION	CHARGES	CREDITS	BALANCE
				BALANCE FORWARD ---->		
.93	JUN 16 53				.93	.00
	AUG 28 53	7962-20		51.12		51.12
<p><i>9/11/53</i></p> <p><i>15</i></p> <p><i>#</i></p>						

FORM 1 193 AFCCO

LIPPMAN'S TOOL SHOP SPORTING GOODS CO.
 AMERICA'S MOST COMPLETE SPORTING GOODS DEPARTMENT STORE
 FOUNDED 1906

DUPLICATE INVOICE 3

Lippman's

TOOL SHOP SPORTING GOODS CO.

WOODWARD 2-7000

MICHIGAN AVENUE AT WASHINGTON BOULEVARD

DETROIT 26, MICHIGAN

SOLO
TO

Reel, P.O. Box 117, of L. Tomaster Union
L. Tomaster
2741 Franklin
Detroit, Michigan

INVOICE DATE 11-1-34
OUR INVOICE NO. 11-1-34
YOUR ORDER NO. 11-1-34
TERMS: NET 30 DAYS

THIS INVOICE COVERS MERCHANDISE SUPPLIED AND
PAID FOR BY YOU AND IS A COPY OF OUR SALES CON-
TRACT. PLEASE RETURN THIS INVOICE FOR YOUR RECORDS.
ALL CLAIMS FOR DEFECTIVE OR DAMAGED MERCHANDISE MUST BE MADE
IMMEDIATELY UPON RECEIPT OF GOODS.

QUANTITY	UNIT	DESCRIPTION	UNIT PRICE	AMOUNT
2		Pr Training Gloves	13.50	27.00
3		Head Gear	9.06	27.18
3		Ball Gloves	4.50	13.50
2		Speed Bags	11.03	22.06
4		Skip Rope	1.54	6.16
2		Swivels	2.63	5.26
				133.70
			Tax	3.11
				136.81
			Head Gear Tax	5.36 .16
				142.41

EXHIBIT No. 171

40 (7)

Pay to the order of Bank

PAID
Detroit, Mich.

No. 21 1955
00

\$ 5000 00/100

Dollars

The sum of \$5000 and 00/100

Commonwealth Bank
Detroit, Mich.

9-31 039-266

1301
BANK OF THE STATE OF MICHIGAN
DETROIT, MICHIGAN

1301
BANK OF THE STATE OF MICHIGAN
DETROIT, MICHIGAN

020-15-15

DETROIT CREDIT ORDER OF BANKER
at 15 to the BANK OR BANKER
ANY BANK OR BANKER
All Prior Endorsements Guaranteed

FEB 10 1956
BANK OF THE STATE OF MICHIGAN
9-31

INTERNATIONAL BROTHERHOOD OF
TEAMSTERS, CHAUFFEURS, STABLEMEN
AND HELPERS OF AMERICA
LOCAL UNION NO. 299
2741 TRUMBULL

AY
TO
THE
ORDER
OF

Commonwealth Bank

Detrol, Mich. *July 26* 19 *24* *8-91* *720*

No. 6013

\$2000.00

00

\$2000 XX

THE SUM OF *\$2000.00* DOLLARS

INTERNATIONAL BROTHERHOOD OF TEAMSTERS
CHAUFFEURS, STABLEMEN & HELPERS OF
AMERICA, LOCAL UNION NO. 299

CITY BANK
DETROIT, MICHIGAN

Bank PRESIDENT
Carline SECRETARY & TREASURER

1

EXHIBIT No. 172A

BANK of the COMMONWEALTH

15 1/2

15

DETROIT, MICH. July 26, 1954 No. 8-793

FOR THE
CASHIER

\$ 2000.00

2000 00 00

2000 00 00

15 MYNLE-FOURTEENTH BRANCH
CASHIER'S CHECK

John P. L. Corbett
AUTHORIZED SIGNATURE

One Thousand.

OK

20-59 JUL 28 1954 GUARANTEED
FIDELITY & SECURITY CO. INC.
DETROIT, MICH. 48201

112. APPLICATION TO BANK of the COMMONWEALTH of MASSACHUSETTS FOR

PAVABLE TO CASH ON DEMAND

Bank Money Order ☐ (over \$100.00) ☒ Cashier's Check ☐ New York Draft ☐ Chicago Draft ☐ Other Draft ☐

CHECK NO. 1-799

DOLLARS 2000 CENTS 00

PAID TO THE ORDER OF *Wm. S. Sullivan*

SIGNATURE OF PURCHASER *Wm. S. Sullivan*

ADDRESS OF PURCHASER

TELEPHONE STAMP

1934

EXHIBIT No. 172C

FORM D

6013

July 24
Commonwealth Bank

Pay to the order of
Walter E. ~~James~~ ²⁰⁰⁰
F. H. M. C. 744

AMOUNT THIS CHECK \$

2000.00

BALANCE

DEPOSITS DATE

CITY BANK - DETROIT

BALANCE

James A. [Signature]

INTERNATIONAL BROTHERHOOD OF TEAMSTERS, CHAUFFEURS, STABLEMEN AND HELPERS OF AMERICA
LOCAL UNION NO. 299
2741 TRUMBULL
CHICAGO, ILL.

1914 1953-720

3868

Local 299

1100

1100000-104

CITY BANK

1 1100000-104

INTERNATIONAL BROTHERHOOD OF TEAMSTERS, CHAUFFEURS, STABLEMEN & HELPERS OF AMERICA-LOCAL UNION NO. 299

Frank [Signature]

SECRETARY & TREASURER

DOLLARS

\$11000.00

Dec 299

Frank [Signature]

CITY BANK
DETROIT MICHIGAN

DEC 14 1930

FEDERAL RESERVE BANK OF CHICAGO

EXHIBIT No. 173A

3068
\$3
799
on hand
11000⁰⁰
X
AMOUNT THIS CHECK \$ 11000.00
BALANCE
DEPOSITS DATE
CITY BANK - DETROIT
BALANCE

CENTRAL STATES CONFERENCE OF TEAMSTERS, 1127 PINE STREET - ST. LOUIS 1, MO.

1154 22

5. 3333

THE UNIVERSITY OF CHICAGO

[illegible]

三三一

[illegible]

1740 770 6 644 00

Carl. West.
Bergamot

A photograph of a manuscript page from the Voynich manuscript. The page features a large rectangular diagram with a dotted border and internal lines, possibly representing a map or a technical drawing. To the left of the diagram, there is handwritten text in Voynich script. The text is written in a cursive style and appears to be a list or a series of entries. The page is numbered '1' in the top left corner.

EXHIBIT No. 175

Certified Copy

9-20-53

RESOLUTIONS OF UNINCORPORATED SOCIETY

(Relating to Commercial Deposit Accounts)

I HEREBY CERTIFY That I am Secretary of Central States Organization

an unincorporated society; that the following is a true and correct copy of resolutions duly adopted at a meeting of the society held on the 29th day of September, 1953, a quorum of the members being present, and that the same are now in full force.

COPY OF RESOLUTIONS

"BE IT RESOLVED, That CITY BANK, Detroit, Michigan, be and it hereby is designated a depository of this society.

"BE IT FURTHER RESOLVED, That any one or more of the persons authorized hereby to withdraw funds deposited hereunder be and they hereby are authorized to enter into, in behalf of this society, with said bank, the contract sets forth in the specimen signature cards provided by said bank for use with respect to any account or accounts of this society provided for hereunder.

"BE IT FURTHER RESOLVED, That funds of this society deposited in said bank may be withdrawn upon checks, drafts, notes or other orders of this society when signed.

By Any <u>ONE</u> of the Following	AND	By Any _____ of the Following
(Typed or Printed Names)	(Title)	(Typed or Printed Names)
(Title)		(Title)
<u>James R. Hoffa</u>	<u>Chairman</u>	
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

whose signatures shall be duly certified to said bank; that no check, draft, note or other orders drawn on said bank shall be valid unless so executed, and that no person shall sign and countersign the same instrument.

"BE IT FURTHER RESOLVED, That said CITY BANK, Detroit, Michigan, is hereby authorized and directed to honor and pay any checks, drafts, notes or orders so drawn, whether such instruments be payable to the order of any person now or hereafter authorized to sign or countersign such instruments in their individual capacities or not, and whether such instruments are deposited to the individual credit of the person signing and/or countersigning, or to the individual credit of any of the other persons or not. These resolutions shall continue in force and said Bank may consider the facts concerning the holders of said offices, respectively, and their signatures to be and continue as set forth in the certificate, contained in said specimen signature cards delivered to said bank for use with respect to any account or accounts provided for hereunder or in any similar certificate subsequently executed, until written notice to the contrary is duly served on said bank."

IN WITNESS WHEREOF, I have hereunto affixed my name as Secretary and have caused the seal of said society to be hereto affixed this 30th day of September, 1953.

IMPRINT
SEAL HERE

Frank J. Lattin
(Secretary)

Certificate of Officer Other Than the Secretary

I, the undersigned, an officer of said society, hereby certify that the foregoing is a correct copy of resolutions adopted as above set forth.

James R. Hoffa
(Officer other than the Secretary)

CENTRAL STATES ORGANIZATION

OFFICE
NUMBERDATE
REC'D.

SEP 30 1935

THE BANK WILL TYPE TITLE OF ACCOUNT AND DATE CARD RECEIVED ABOVE THIS LINE

Each of the undersigned hereby represents that he has read and for and in behalf of the depositor consents to the terms and conditions of the

AGREEMENT SET FORTH ON THE REVERSE SIDE HEREOF.

Each of the undersigned certifies that the depositor has designated CITY BANK, Detroit, Mich., as a depository of its funds, and has authorized that any funds deposited in said bank may be withdrawn upon the checks, drafts, notes, orders or receipts of the depositor signed.

BY ANY

ONE

AND

BY ANY

OF THE UNDERSIGNED

OF THE UNDERSIGNED

SPECIMEN SIGNATURES

TITLES

SPECIMEN SIGNATURES

TITLES

x *James A. Hays* Chairman

SIGNATURE CARD-COMMERCIAL DEPOSIT ACCOUNT-CORPORATIONS, PARTNERSHIP ASSOCIATION
AND UNINCORPORATED SOCIETIES

C-3

EXHIBIT No. 177



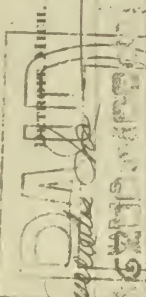


JOINT COUNCIL NO. 43

2741 TRUMBULL

PAY TO THE
ORDER OF

J. E. Schneider
Superior Co.

COMMONWEALTH BANK
DETROIT, MICH.

JOINT COUNCIL NO. 43

COMMONWEALTH BANK
DETROIT, MICH.

C-4-69

DOLLARS

Robert Holman
Brunson Gilbert

AUTHORIZED SIGNATURES

6813

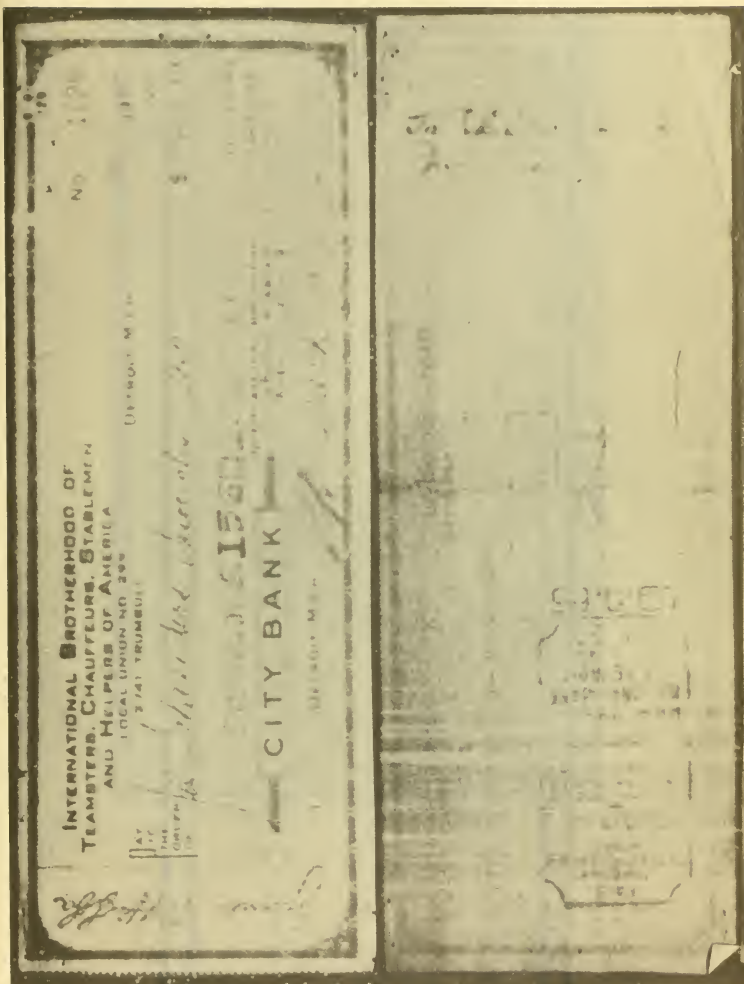
3/12
 10 69-31
 10 6720

\$ 6200.00
 00

To J. E. Schneider Assoc. Inc.
Logan, Michigan, Pa.

PAID WITH
 CHECK OF
 DETROIT
 32
 1931
 No 7

EXHIBIT No. 178B



9-91 720

INTERNATIONAL BROTHERHOOD OF TEAMSTERS, CHAUFFEURS, STABLEMEN AND HELPERS OF AMERICA
LOCAL UNION NO. 299
2741 TRUMBULL

DETROIT, MICH.

NO. 1760

5/7 1953

00

\$85.75

AY TO THE ORDER OF

CITY BANK

DETROIT, MICH.

1

INTERNATIONAL BROTHERHOOD OF TEAMSTERS, CHAUFFEURS, STABLEMEN & HELPERS OF AMERICA, LOCAL UNION NO. 299

DOLLARS

PRESIDENT

SECRETARY & TREASURER

EXHIBIT No. 178D

No. 26813		1913	
ORDER OF			
J. E. Schneider			
Dre.			
FOR			
Advertisement		6200 ⁰⁰	
TOTAL		6200 ⁰⁰	
AMOUNT THIS CHECK		6200 ⁰⁰	
BALANCE			

EXHIBIT No. 178E

1760

Periphractus two in

Chapman No.

Adm. S. Pitts, Esq., 17th Nov

~~A~~ A T . . . = 9

234

THE FORD FIVE-DRIVE

CITY BANK DETROIT

HA AN E

EXHIBIT No. 179C

9-32
726

JOE SCHNEIDERS ASSOCIATES, INC.
12639 LIVING AVENUE
LAKESHORE, MICHIGAN 48066

NO. 1226

DATE April 22 1953

DETROIT 24, MICH.

PAY TO THE ORDER OF J. A. Dillis

Twenty Eight 28 100 DOLLARS

\$ 68.28

NATIONAL BANK OF DETROIT
GRATUIT-ENGINEER OFFICE
DETROIT, MICHIGAN 14

Joseph A. Schneiders PRV.

Barclay B. Schneiders SEC. TREAS.

PAID
THROUGH
DETROIT CLEARING
APR 28 1953
953
NATIONAL BANK
DETROIT
MICH.
953

UNION L. BANK OF DETROIT
DETROIT MICH.
OR ORDER
FEDERAL SAVINGS & LOAN
ASSOCIATION OF DETROIT

W. H. Lillis
3774

OHIO CONFERENCE OF TEAMSTERS 235 SO. HIGH ST.		COLUMBUS, OHIO, Aug. 22, 1958		2929
PAY TO THE ORDER OF <i>Ramode of Cleveland</i>		\$1500.00		2361 472
By <i>John A. Davidson</i>		OHIO CONFERENCE OF TEAMSTERS		DOLLARS
HIGH-TOWN OFFICE THE OHIO NATIONAL BANK OF COLUMBUS COLUMBUS, OHIO		<i>John A. Davidson</i>		
		<i>Ken R. Bigger</i>		

No. 2929	Aug. 22, 1958
ORDER OF <i>Ramode of Cleveland</i>	
FOR <i>John A. Davidson</i>	
AMOUNT THIS CHECK	1500.00
TOTAL	
BALANCE	

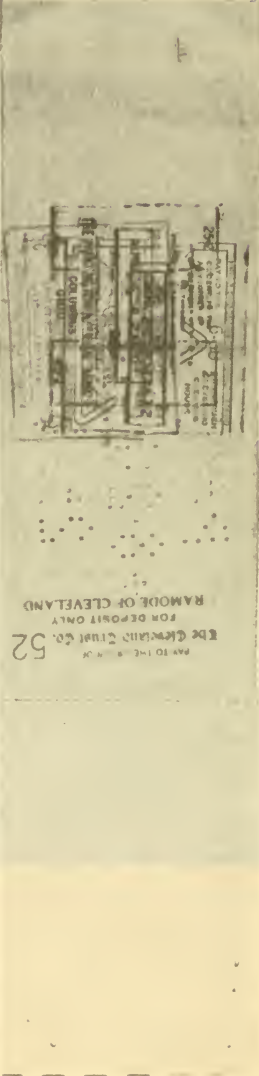


EXHIBIT No. 184

Rudolph Deutsch
INDUSTRIAL SALES CO.

2nd Floor Bulkeley Building

Cleveland, Ohio

MAin 1-2880

NO 1670

Date

Dec. 8th 1951

Sold to

Transfer Joint Council #41

Address

C. 22 nd

City

Cleveland

State

Ohio

Purchase Order No.

Buyer

Bill Presser

Delivery Date

Quan.	No.	Description	Price	Amount
8		champagne master 27T	107.00	800.00
		State tax		24.00
				<u>824.00</u>

Dec 9, 1951
R. V. G.

ma 1-7873
Miss Pomer

EXHIBIT No. 187

No. 2923	August 15, 19 58
ORDER OF	
G. D. Bender	
FOR	
Cashier Relations	
D. W. P. ...	
TOTAL	
AMOUNT THIS CHECK	1,000.00
BALANCE	

OHIO CONFERENCE OF TEAMSTERS 233 SO. HIGH ST. COLUMBUS, OHIO	2923
PAY TO THE ORDER OF	35-1 412
G. D. Bender	
\$ 1,000.00	
DOLLARS	
THE OHIO NATIONAL BANK OF COLUMBUS, OHIO	
OHIO CONFERENCE OF TEAMSTERS	
Highland Ave.	
Don. P. ...	

Received
 for Ohio Conference of
 Teamsters
 G. D. Bender
 Treasurer



TRUCK DRIVERS LOCAL UNION NO. 299
2741 TRUMBULL

AY TO THE ORDER OF

John

Detroit, Mich. *Oct 20 1926*

9-91 720

3234

DOLLARS

TRUCK DRIVERS LOCAL UNION NO. 299

\$1,000

John H. Hales

Richard P. Blake

CITY BANK
DETROIT MICHIGAN

1

SECRETARY & TREASURER

*John Hales
Pay to Richard Blake
Richard P. Blake*

DETROIT MICHIGAN
CITY BANK
DETROIT MICHIGAN

DETROIT MICHIGAN
CITY BANK
DETROIT MICHIGAN

DETROIT MICHIGAN
CITY BANK
DETROIT MICHIGAN

EXHIBIT No. 190A

3234

10-11-36

TO John Wilson

FOR Legal Fee

Hand. Brok 1000

J.R.H.

AMOUNT THIS CHECK \$ 1000 00

BALANCE

DEPOSITS DATE

CITY BANK - DETROIT

BALANCE

TRUCK DRIVERS LOCAL UNION NO. 299
894+ TRUMMELL

NO 3605

DETROIT, MICH. 11/16/40

\$ 1000

PAY TO THE ORDER OF

CITY BANK
DETROIT, MICH.

TRUCK DRIVERS LOCAL UNION NO. 299

DOLLARS

SECRETARY & TREASURER

The Florida National Bank at Orlando

BY: W. J. Wilson
Cashier

PAID THROUGH

CONTINENTAL NATIONAL BANK
200 BANK OF INDIA BUILDING
AT NEW YORK CITY

NOV 16 1940

63562

63 JUL

1948

AUTOMOBILE DRIVERS AND DEMONSTRATORS
LOCAL UNION 376, A. F. OF L.
2741 TRUMPULL AVENUE

No 513



19-55-31
19-55-720

PAY TO THE
ORDER OF

REGISTERED \$10000 and no cents

DOLLARS
AUTOMOBILE DRIVERS AND DEMONSTRATORS
LOCAL UNION 376, A. F. OF L.
SPECIAL ACCOUNT

BANK of the COMMONWEALTH

DETROIT, MICH.

C 42-430

AUTHORIZED SIGNATURE

A. Henry Lauer

*Deposit only to
A. Henry Lauer*

Bank of Detroit
19th
Janet No. 3
5130 27 1955

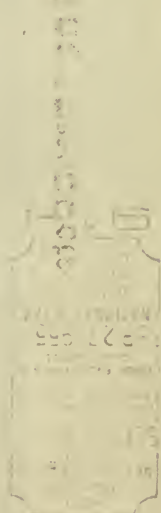


EXHIBIT No. 194E

TRUCK DRIVERS LOCAL UNION NO. 299
2741 TRUMBULL

Pay TO THE ORDER OF 43

CITY BANK
DETROIT, MICH. 48201

TRUCK DRIVERS LOCAL UNION NO. 299

DETROIT, MICH. Nov. 17 1947

No. 11325

\$ 6800.00 DOLLARS

6800 xx

PRESIDENT [Signature]
TREASURER [Signature]

JOINT COUNCIL No. 43

2741 TRUMBULL

No. 8613

DETROIT, MICH.

No. 17 19 5-31
W 20 00

PAY TO THE ORDER OF

Harry Trumbull

The sum of \$13600 00

\$13600 XX

DOLLARS

JOINT COUNCIL NO. 43

BANK of the COMMONWEALTH

DETROIT, MICH.

Bernard Gilbert
Robert Holman

AUTHORIZED SIGNATURES

Harry Trumbull

15 DETROIT CLEANSING
ANY BANK OR BANKER
NOV 17 1955
Bank of the Commonwealth
9-31
9-31

EXHIBIT No. 194H

9 31
720

SUN VALLEY, INC.

16939 JAMES COUZENS, 35
DIAMOND 1-9595N^o 3830

DETROIT, MICHIGAN NOVEMBER 26, 1956

PAY TO THE ORDER OF REGISTERED \$200,000.00

DOLLARS \$ 200,000.00

TO
THE
ORDER
OF

NATIONAL BANK OF DETROIT

SUN VALLEY, INC.

BANK of the COMMONWEALTH, DETROIT, MICH. C 43-930

*Clayton*PAID
THROUGH
CLEARING
HOUSE

WITH Profit

DEPOSITED WITH
National Bank of Detroit
29 NOV 27 1956
CHANCERY & SORRENTO
CHANCERY No. 18

X

BOSTON PUBLIC LIBRARY



3 9999 06352 027 2

